

Daily Report

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General

Huan Xiang Speaks at Pacific Meeting in Osaka

OW2005014488 Beijing XINHUA in English 1137 GMT 19 May 88

[Text] Osaka, Japan, May 19 (XINHUA)—The Sixth General Meeting of the Pacific Economic Cooperation Conference (PECC) produced new initiatives and set up a central fund at its second day discussions here today.

Huan Xiang, chairman of the China National Committee for Pacific Economic Cooperation proposed at the meeting that the PECC start considering setting up a research organ to study the impact that the development of science and technology will have on the economic development in the region.

The day's session also saw the inauguration of the "PECC Central Fund", a formal and reliable financial structure from which to get funds for PECC activities.

Issues on trade policy, investment, mineral and energy, fisheries, livestock, and grain have been discussed at the meeting, but science and technology, a very important aspect, has so far been neglected, Huan noted.

The development of science and technology is fairly rapid and there will be big changes every 2 or 3 years. These changes and development are very important at present and in the future for every country in the Pacific region, he said.

"If we fail to grasp and make good use of the development in science and technology, the gap between the developing countries and the developed ones in the region, which already rather wide, will surely get even wider," Huan warned.

Huan's initiative drew immediate support from the representatives from Malaysia, Japan, and the United States, and a task force on this issue is expected to be set up.

Other new initiatives included establishment of a task force on agricultural policy, trade, and development, a study group on transportation, telecommunications, and tourism, a study group on sustainable development of Pacific forest resources, and a PECC initiative on the Pacific island nations. These were also discussed at the day's plenary session.

Kumao Kaneko, executive director of the Japan National Committee for the PECC, said that it is particularly designed to provide financial assistance towards the costs associated with organizing and carrying out general meetings by developing country member committees, to provide travel assistance to experts and representatives mainly from developing countries and to fund special projects and other activities of the PECC.

The initial amount of funding required based on current costs is estimated to be no less than 1 million U.S. dollars for the first 3-year period (1988-91) after the current PECC General Meeting, and contributions from the PECC members were apportioned on a proportional basis, taking into account each member's domestic situation and its financial ability to contribute, Kaneko said.

United States & Canada

Canadian Prime Minister Meets Tian Jiyun

OW2005080088 Beijing XINHUA in English 0645 GMT 20 May 88

[Text] Ottawa, May 19 (XINHUA)—Canadian Prime Minister Brian Mulroney met with Chinese Vice Premier Tian Jiyun this afternoon and said that the relations between Canada and China are excellent and Canada will do its best to enhance the relationship.

Mulroney said that what happened in China was very important to the rest of the world. He expressed admiration for the great achievement made by China with its one billion population.

He said that he was deeply impressed by the quality of the Chinese leadership during his visit to China in 1986.

Tian briefed Mulroney on recent developments in China and said that great and comprehensive progress has been made in the relations between the two countries. He expressed the hope that his visit would boost the Sino-Canadian relationship.

Tian and Mulroney also discussed international affairs of common concern. They shared identical views on many international issues.

The Chinese vice premier arrived in Canada on May 17 for a five-day visit to the country, following his visits to Mexico and the United States.

During his stay in Canada, Tian also met with other Canadian officials including Jeanne Sauve, governor general, John Fraser, speaker of the House of Commons, Guy Charbonneau, speaker of the Senate, and Patricia Carney, president of Treasury Board.

Tian Urges More Investment

OW2005091588 Beijing XINHUA in English 0714 GMT 20 May 88

[Text] Ottawa, May 19 (XINHUA)—Visiting Chinese Vice-Premier Tian Jiyun said today he hopes that the Canadian businessmen will take advantage of China's reform and open policy and invest more in China.

Tian said at a banquet given by Canadian Deputy Prime Minister Don Mazankowski that with the improvement of China's investment environment, it will be more profitable to invest in China. He welcomed "more people from the Canadian industrial and commercial circles" to invest in China.

"You may go ahead and manage enterprises there the Canadian way," Tian said.

As a result of the reform and opening up over the past nine years, Tian said, China's economy "has become vigorous, gradually embarking on the path of sustained and steady growth." There are "more opportunities for trade and investment" in China.

He said "in recent years, considerable progress has been made in economic and technological cooperation between China and Canada." However, "there are still great potentials for the cooperation."

Tian called on Canada to "take a positive attitude and vigorous measures to increase Chinese products access to the Canadian market" and "adopt a more open attitude toward technology transfer to China."

Deputy Prime Minister Don Mazankowski, who hosted the dinner, said, "Canadians follow with fascination and admiration the rapid strides your country (China) is making in reforming and opening the Chinese economic system." He said that Canada welcomes China's decision "again to become a member of the General Agreement on Trade and Tariffs (GATT)."

More than 100 people, most of them from the business circle, attended today's banquet.

Tian arrived in Toronto, Ontario, on Tuesday to start his five-day visit in Canada. He arrived in Ottawa yesterday evening.

'Roundup' on INF Treaty, Moscow Summit

HK2005014388 Beijing RENMIN RIBAO in Chinese 17 May 88, p 6

['Roundup' by RENMIN RIBAO reporter Zhang Yunwen (1728 0336 2429): "Side Issues of the INF Treaty and the Moscow Summit"]

[Text] Washington, 13 May (RENMIN RIBAO)—Through 2 days of busy talks, U.S. Secretary of State Shultz and Soviet Foreign Minister Shevardnadze finally solved their differences on the provisions of the INF treaty on the question of inspection and thus cleared the path for the U.S. Senate to approve this treaty.

On 8 December last year, during their meeting in Washington, Reagan and Gorbachev signed the INF Treaty. Four days later, Shultz said that the treaty might be approved by the Senate very soon. On 25 January, a hearing on this treaty was held by a relevant Senate subcommittee. At the end of March, the treaty was approved by the Foreign Relations Committee of the Senate. At the same time, it was decided that the treaty would be submitted to the plenary session of the Senate on 11 May for debate. However, at the end of last month, news suddenly spread that when discussing concrete inspection measures, great differences appeared between the U.S. and Soviet inspection personnel on the treaty's provisions of the on-the-spot inspection. The question of inspection is the key to the implementation of the treaty. Therefore, although the White House held that those were technical differences, it admitted that the problem was serious. In view of this situation, Senate leaders and chief officials of the White House held an emergency meeting the whole day and announced on 9 May delay of the debate over the INF Treaty. Senate Majority Leader Byrd said that the Senate would not do things hastily under the pressure of the deadline of the Moscow summit. The media held that the development of events may make President Reagan go to Moscow completely unprepared at the end of May. This situation, which appeared just about half a month before the Moscow summit, could not but make the While House feel very embarrassed.

It was reported that during the two days of busy talks between the U.S. and Soviet foreign ministers on 11 and 12 May, as the Soviet Union gave up its original demands, both sides were able to reach unanimity on 9 points of differences. But no details have yet been disclosed on how the differences were resolved. Shevardnadze said that the difference on the question of inspection was a kind of metaphor [yin yu 7148 0827] for the status quo of U.S.-Soviet relations. Since both sides have not trusted each other for a long time, they cannot avoid paying some costs. But Shultz held that this shows the Soviet Union intends to test the determination of the United States.

Today, Shultz and Powell, assistant to the president for national security affairs, respectively reported the result of the talks to the allies and the Senate leaders. The Senate leaders were satisfied with this result. The relevant committee will examine and discuss the treaty next Monday, expecting to submit it to the plenary session for debate on Tuesday and have it approved by the end of this month. To satisfy the demand of the Senate, the White House has done a great deal of work to facilitate the solution of this problem. It reflects the strong desire of the White House to have the treaty approved before the Moscow summit on 29 May.

There are only about 8 months before Reagan's tenure of office expires. When the presidential election is reaching a high tide, Reagan seems to be unable to accomplish anything of great significance in internal affairs. He can only place his hope on certain major achievements in diplomatic affairs. To date, the United States has run into snags and been foiled everywhere in the Middle East and Central America, unable to find a way out and it seems that no substantial progress can be made in those

areas during the rest of Reagan's tenure of office. Therefore, only the INF Treaty can possibly become something historically valuable. This is also the main reason why the side issues of the INF Treaty have made the White House deeply worried and why they can be quickly resolved.

Wang Jingde on 'Chinese "Silicon Valley" '

OW1905115188 Beijing XINHUA in English 0657 GMT 19 May 88

[Text] New York, May 18 (XINHUA)—China's "Electronic Street" in Zhongguancun area, northwestern Beijing, has been thriving rapidly these years, a visiting prominent entrepreneur from the Chinese "Silicon Valley" told a group of U.S. business executives here today.

Along the electronic street, 150 corporations are competing in high-tech development have [as received] employed over 1,500 engineers in the electronics industry, said Wang Jingde, president of the Jinghai Corp., A major computer corporation in the electronic street dealing with both development and trading.

At today's symposium between American businessmen and a Chinese delegation of 40 chief executives from large firms in various industries, Wang said the electronic firms' earnings reached the equivalent of about 243 million U.S. dollars last year and his Jinghai Corp. earned 35 million dollars.

In the last four years, the products from the Chinese Silicon Valley have won 13 international prizes and 23 national prizes, Wang said.

His company's instrument for forecasting sudden heart failure won an invention gold prize at the Geneva invention conference in 1987, and two of the firm's products have been exported to Japan.

The Chinese State Council recently decided to open a "new technology development zone" of 100-square-kilometer centered at the Zhongguancun electronic street.

The development zone will enjoy the favorable policies charted for coastal special economic zones in foreign trade, taxation and finance.

In the Haidian District of northwestern Beijing, where the electronic street is located, there are over 50 colleges and 138 research institutes roofing 80,000 scientists and technicians, and more than 100,000 college students and graduates. Over 20,000 students and 4,000 graduates left college each year.

Wang resigned from his official post years ago and started his company from scratch with a few engineers. His firm now owns more than 10 million dollars of assets.

Soviet Union

New Soviet Viewpoints on Socialist Theory

HK2005024388 Beijing RENMIN RIBAO in Chinese 18 May 88, p 7

[Report: "The Soviet Union Has Developed New Viewpoints in Socialist Theory"—boldface as published]

[Text] To suit the needs of reform, Soviet theoretical circles have, in recent years, vigorously launched into research work and put forward some new viewpoints on socialist theory.

First, there is a new understanding on the nature of the present-stage Soviet society. Over the past several decades, Soviet leaders and theoretical circles have put forward some different formulations on the nature of the Soviet society and made several changes. They once stated that the Soviet Union "is making a transition toward communism," "will basically build communism," and "is at the starting point of developed socialism, which is a long historical stage." In October 1986, Mikhail Gorbachev said for the first time that Soviet society today is in the stage of "developing socialism." Later, Soviet theoretical circles expounded and proved the formulation of "developing socialism" and many academics gained a common understanding.

Second, it has explicitly put forward the "diversity" of socialist forms. In recent years, Soviet theoretical circles have publicly criticized the rigid concept of holding the socialist pattern as "unitary," saying that "it is necessary to analyze the diversity of socialist pattern and to study the choice and arduousness of socialist development." In line with this understanding, the Soviet Union has made a series of changes in theoretical concepts and practice. For example, it has shifted from the position of merely stressing unitary public ownership to one of acknowledging the diversity of ownership structure, developing the cooperative economy, and recognizing the status of individual workers. Again, in the past it only stressed the coincidence of the interests of the whole people but now it recognizes the existence of extensive contradiction of interests in Soviet society. (Chotov) [zuo tuo fu 0146 2094 1133], a PhD, holds that the concept of the "state of the whole people" cannot remove the internal contradiction between the state and society and that the interests between individuals, collectives, professional groups, social strata, classes, and nationalities will never coincide. Gorbachev stressed: "In the final analysis, the significance of the reform lies in considering various interests, influencing various interests, and exercising management through interests."

In economic theory, Soviet academics have gained a new understanding of the socialist economic features. Many academics have repudiated various prejudices on the roles of the relationship between commodity and currency and the law of value and understood that "the

relationship between commodity and currency is organically brought into the socialist economic structure." They stress the need to be good at managing the economy through economic levers, the relationship between commodity and currency, and the market law. It is necessary to overcome voluntarism and egalitarianism, practice economic accounting, and encourage competition in order to speed up economic development.

Moreover, it has also changed its views about the tasks of the times and about modern capitalism. Gorbachev holds: "Although the world today is ridden with contradictions and although the countries forming today's world have fundamental differences, this world is mutually related and interdependent" and there is a "possibility to achieve coexistence among different social systems by the method of removing global catastrophe." In his view, at the present stage of world development, the "most dangerous manifestation" (referring to the launching of a world war) decided by the nature of imperialism can possibly be "stopped." At present, Soviet academic circles are continuously deepening the studies of socialist theory. On the basis of linking realities in the country with those in other countries of the world, more and more people are making new explorations in the theoretical circles to find a theoretical basis for reform.

Northeast Asia

DPRK Defense Minister Meets Deng Xiaoping

OW1905174988 Beijing Television Service in Mandarin 1000 GMT 19 May 88

[Text] Deng Xiaoping, chairman of the Central Military Commission, met with a Korean Government military delegation led by Korean Minister of the People's Armed Forces Vice Marshal O Chin-u at the Great Hall of the People this morning. Deng Xiaoping and O Chin-u exchanged views on the situation on the Korean peninsula. Deng Xiaoping reiterated China's support for Korea's stand on independent and peaceful reunification of its motherland. He also briefed the Korean guests on China's reform.

On the commodity price question, Deng Xiaoping said: In the past, our price subsidies were a heavy financial burden on our country as they took a great deal of our revenues. As a result, very little of the revenues could be truly used in construction, making it impossible for us to improve the people's living standards. In order to march forward with a light burden, we must solve this problem.

Deng Xiaoping said: In ancient China, there was a General Guan who once successfully went singlehandedly through five enemy-held strategic passes and killed six enemy generals in a row. Maybe China's reform also needs to overcome so many, or even more difficulties. We will have to take great risks to take a step forward or overcome a difficulty. Our advance will not go smoothly and will encounter many difficulties. For this reason, we must work cautiously and conscientiously, be bold and meticulous, and sum up experience after taking each step. We should let the whole party and the people throughout the country understand that the reform is a very arduous work, and that we will have no way out if we do not carry out reform and overcome these difficulties. We have confidence and assurance, otherwise we would not have made the decision. The decontrol of the prices will eventually be examined in practice.

Deng Xiaoping pointed out: There are no perfect policies or measures. In reform, we have neither domestic nor foreign experience to learn from. What we have are new problems, and we must create our own experience.

O Chin-u said: We are very happy that Chairman Deng Xiaoping has described to us in detail the situation in China. We wish the Chinese people greater success on the road of building socialism with Chinese characteristics.

Qin Jiwei, state councillor and minister of national defense, and others were present at the meeting.

[The 2-minute video report begins with medium shots of Deng Xiaoping and O Chin-u shaking hands, embracing and speaking with each other, Deng shaking hands with 7 of 11 members of the Korean delegation, and Deng, others and Korean guests posing for a group photo. Next are closeups and medium shots of Deng and O Chin-u seated on opposite ends of a coffee table, talking with each other through three interpretors sitting between them behind the coffee table. The camera then pans across the meeting room showing approximately 20 others, including Korean guests and Qin Jiwei, seated two deep on each flank.]

Deng on Korean Reunification

SK1905162288 Pyongyang KCNA in English 1543 GMT 19 May 88

[Text] Beijing May 19 (KCNA)—China supports the position of Comrade President Kim Il-song and the Korean Government as regards the question of Korean reunification and hopes that the situation on the Korean peninsula will be stabilized, said Comrade Deng Xiaoping, chairman of the Central Military Commission of China.

He said this when he met the visiting DPRK military delegation led by O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces, at the Great Hall of the People in Beijing on May 19.

Chairman Deng Xiaoping said Comrade President Kim Il-song is very busy and always conducts external activities.

Yang Shangkun on Reunification

SK1905163088 Pyongyang KCNA in English 1545 GMT 19 May 88

[Text] Beijing May 18 (KCNA)—President Yang Shangkun of the People's Republic of China met in Beijing on May 18 the military delegation of the DPRK led by O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces, on a visit to China.

Yang Shangkun said the Chinese party, government, people and army resolutely support the Korean people's cause of the independent and peaceful reunification of the country. This is a consistent position of China, he stressed.

He praised the achievements made by the Korean people in the economic development and the building of the army.

[word indistinct] that the peoples and armies of China and Korea have traditional friendly relations, he said the Chinese people and army will continuously strive to furthar strengthen and develop this great friendship sealed by blood.

Yang Shangkun hosted a banquet for the DPRK military detegation on the same day.

Yang Shangkun and O Chin-u made toasts at the banquet.

South Korean Students Attack U.S. Embassy

OW2005111588 Beijing XINHUA in English 0940 GMT 20 May 88

[Text] Beijing, May 20 (XINHUA)—Five South Korean students were arrested by police this morning as they attacked the U.S. Embassy in downtown Seoul with homemade explosives, according to reports from Seoul.

The explosives did not cause any injuries or damage although four of the homemade bombs went off with a thunderous roar, a U.S. spokesman was quoted as saying.

Today's incident involved about 30 students and followed an attack yesterday on the United States Information Service (USIS) building in Seoul.

The attacks on the U.S. Embassy and USIS were reportedly expressions by South Korean students for U.S. connivance in the Army's 1980 crushing of a civilian revolt in Kwangju, a southwestern city of South Korea.

Meanwhile, more than 20,000 South Korean students, citizens and oppositions held a solemn funeral in Seoul yesterday for a student who committed suicide May 15 to mark the May 18 Kwangju uprising day.

Bo Yibo Attends Magazine Anniversary

OW1805202388 Beijing XINHUA in English 1459 GMT 18 May 88

[Text] Beijing, May 18 (XINHUA)—The Hong Kong magazine "ECONOMY AND LAW" celebrated its third year of publication with a party at Beijing hotel tonight.

The magazine, printed in Chinese and English editions, deals with developments in Chinese economy and law for overseas readers, said Chan Ying Liong, chief editor of the ECONOMY AND LAW press.

It also discusses developments in these areas in other countries, Chan said.

Present at the party were Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, Wang Hanbin, vice-chairman of the Standing Committee of the National People's Congress and Ren Jianxin, president of China Supreme People's Court.

Minister of Foreign Economic Relations and Trade Zheng Tuobin, Minister of Justice Cai Cheng also attended.

Southeast Asia & Pacific

Daily Comments on Soviet Role in Cambodia

HK2005153188 Beijing RENMIN RIBAO in Chinese 16 May 88, p 6

[Commentary by reporter Li Aicheng (2621 1947 2052): "Another Effort to Solve the Cambodian Issue"]

[Text] The Thai Prime Minister, Prem Tinsulanon, will begin his visit to Moscow on 16 May. He is the first Thai Prime Minister to visit the USSR since 1979. As revealed, the purpose of the Thai Prime Minister's visit to Moscow is to discuss with the Soviet leaders on questions concerning the Cambodian issues and the Soviet-Thai bilateral relations. He will request the Soviet Union play a positive role in solving the Cambodian issues, stop giving aid to Vietnam, support the proposal to holding direct negotiations between Vietnam and the Chairman of the Democratic Kampuchea, Prince Sihanouk, and to urge Vietnam to withdraw its troops from Cambodia as soon as possible, so that the Cambodian issues can be solved as soon as possible and thus the obstacles obstructing the improving of the Thai-Soviet relationship can be eliminated.

Vietnam's invasion of Cambodia directly threatens the security of Thailand. Over the past 10 years, Vietnamese troops invading Cambodia has never stopped combating and invading Thailand, and Thai people living on the border lost their lives and properties. Besides, the normal life and the production activities of the inhabitants living along the Thai-Vietnamese border are affected. At the same time, the several tens of thousands Cambodian refugees long held up in the Thai territory also bring a

heavy burden to Thailand. Therefore, the Thai Government greatly hopes that the USSR can play a positive role in promoting an early solution to the Cambodian issues. The Thai Government notes that over the past 10 years in which Cambodia has been occupied by Vietnam, the USSR has never stopped giving support and aid to Vietnam. In December 1986 when the "6th party congress" of the Vietnamese Communist Party was held, the USSR said that from 1986 to 1990 the USSR would give $11.7 to $13.2 billion in economic aid to Vietnam. Of course it will give a substantially higher amount of military aid to Vietnam. The facts proved that without Soviet assistance to Vietnam, the war launched by Vietnam to invade Cambodia cannot be continued.

Facing these types of realities, it is natural that Thailand and other ASEAN countries repeatedly and directly or indirectly request the USSR to play "a positive role" in solving the Cambodian issues as soon as possible.

Since last year, high-ranking Soviet officials have successively visited Thailand and ASEAN countries; and the USSR has again and again stressed that it wants to improve its relationship with these countries. Public opinion here considers that the USSR's aim is to lessen the criticism and pressure by Thailand and other ASEAN countries on the USSR's supporting Vietnam's invasion of Cambodia. However, improvement in Soviet-ASEAN relations is very much determined by Soviet attitudes and moves in solving the Cambodian issues. On this issue, however, it is not seen that the USSR has taken any substantive action. In March, last year, while visiting Thailand, the Soviet minister for foreign affairs said that the USSR holds the view that foreign troops should withdraw from Cambodia, so that the Cambodian nation can achieve conciliation and can make its independent decisions. Besides, the Cambodian issues can be solved by the "Afghan model" or other "compromise methods." However, when he arrived at Vietnam, he expressed that the USSR and Vietnam "hold identical views;" that "the USSR and Vietnam will coordinate with each other in a closer manner;" and that the Soviet-Vietnamese relationship is "still a priority relationship." He also assured Vietnamese leaders that "the USSR will resolutely support the further strengthening of the alliance of the three Indochinese countries." Such an approach made Thailand and the ASEAN countries feel the USSR is not sincere in solving the Cambodian issues.

In mid-April this year, when the Geneva agreement on the Afghan issue was signed, people's attention was diverted to the Cambodian issues. People hope that the USSR will take positive actions to solve the Cambodian issues. Thai Prime Minister Prem Tinsulanon immediately sent a letter to U.S. President Ronald Reagan expressing his hope that Reagan can persuade Soviet leaders at the U.S.-Soviet summit, to be held at the end of May this year, to "participate in solving the Cambodian issues." However, almost at the same time, Soviet Vice Minister for Foreign Affairs Rogachev, successively made speeches to reporters in Bangkok and Paris. On one hand, he said that the withdrawal of the Soviet troops from Afghanistan has set "a good model" for solving disputes in other areas, including the Cambodian issues. However, on the other hand he avoided mentioning the Soviet role in the Cambodian issues by saying that "Vietnam is a sovereign state, and it is impossible for the USSR to force Vietnam to withdraw its troops from Cambodia."

In view of the fact that the USSR still does not have any substantive changes in its attitude toward the Cambodian issues, and as concern that the Cambodian issues will be continuously put off, Thailand and ASEAN's request for the USSR to change its attitude and to "play a positive role" has become very strong. At the same time, even before the general election of Thailand, Thai Prime Minister Prem Tinsulanon still accepted the Soviet invitation to visit the USSR. Before he departed for his visit to the USSR, the Thai prime minister specially and seriously discussed with Singapore Prime Minister Lee Kuan Yew in Bangkok how to urge the USSR to take part in solving the Cambodian issues. The Thai Prime Minister will personally expound on the importance and urgency of quickly solving the Cambodian issues to the Soviet leaders. He will also tell the Soviet leaders specific demands, put forward by Thailand and other ASEAN countries, regarding the Soviet role in solving the Cambodian issues. Observers here consider that this visit of the Thai prime minister is another effort of Thailand and ASEAN to seek an early solution to the Cambodian issues.

XINHUA Speculates on Possible Thai Coup

OW2005045688 Beijing XINHUA in English 0630 GMT 19 May 88

["Roundup: Would There Be a Coup in Thailand?" by Ma Shengrong—XINHUA headline]

[Text] Bangkok, May 19 (XINHUA)—Rumors of a possible military coup in Thailand have gone widespread here recently.

Such rumors were fuelled by a recent statement by Chawalit Yongchaiyut, acting supreme commander of the Royal Thai Armed Forces and commander-in-chief of the Army.

Chawalit was quoted as saying on May 15 that he was ready to stage a coup if he received "approval" from the people. The Army has the strength and "no power will be able to stop me if I choose to do so," he said.

His statement has aroused widespread concern and has been criticized by political figures.

Former Prime Minister Khukrit Pramot yesterday disagreed with Chawalit's remark, saying that it was illegal. "Who could the people turn to if the person they trust and allow to hold weapons talks about a coup himself?" he said.

Prime Minister's Secretary General [as received] Prasong Sunsiri, who is accompanying Prime Minister Prem Tinsulanon on a visit to the Soviet Union, has warned any group calling for a coup to be careful.

According to reports from Moscow, Prasong said yesterday that he did not understand what Chawalit meant by making comments about a coup. "We have to see which group is calling for that," he said.

Meanwhile, Chawalit had shunned reporters in the past few days, avoiding any further comments or explanations. But he was finally approached by some local reporters yesterday.

The English-language paper "THE NATION" reported today that when asked about the current political situation, Chawalit said, "The weather is good, the sky is bright." A reporter asked him to say "something, because the public is very concerned." "Really?" Chawalit said, laughing and cut short the interview.

However, top military officers have denied the possibility of a coup. Chawalit's statement was only reacting to recent observations that the Army is no longer capable of launching a coup, because political forces are keeping it in check, they said.

The deputy Army commander-in-chief said yesterday, "I don't believe it (a coup) will happen. "There is nothing to worry about,"he said.

On May 17, Sunthon Khongsomphong, chief of staff of the Royal Thai Armed Forces, assured the public that soldiers will not stage a coup because "there is no justification for it."

Senior government officials also ruled out the possibility of a coup. Acting Prime Minister Chatchai Chunhawan told reporters after a weekly Cabinet meeting on May 17 that the recent political manoeuvring in the armed forces was clearly concentrated on the upcoming general elections.

Prime Minister Prem dissolved the House of Representatives of the National Assembly on April 29 for a new general election on July 24. Coup rumors had been rampant during past elections because the military had been playing an important role in Thai politics.

Prime Minister Prem killed 2 coup attempts in his 8-year premiership. The first one was staged by the then Army commander-in-chief on April 1, 1981, and the second took place on September 9, 1985.

U.S. 'Assailed' for CIA Actions in Philippines

OW2005003688 Beijing XINHUA in English 1357 GMT 17 May 88

[Text] Manila, May 17 (XINHUA)—Philippine Senator Aquilino Pimentel today assailed the United States for fielding additional operatives of the U.S. Central Intelligence Agency (CIA) in the Philippines.

In a privileged speech in the Senate, Pimentel said that the CIA has fielded operatives to beef up its present crew of 115 in Manila. These people could be behind the military coups against the Aquino government, he added.

"Why a supposedly friendly country, which proclaims that it maintains special relations with us, should find it necessary to field so many fifth columnists in our land befuddles me," he said.

"However, that is the way powerful nations treat their client states," Pimentel said.

He also urged his colleagues to enact the anti-nuclear weapons bill, which is now under deliberation in the Senate, saying that it would confirm to the constitutional mandate to make the country nuclear weapon free and eliminate the threat of being a primary target in a nuclear war.

The bill is an urgent one because of considerations of national survival, sovereignty and dignity, he said.

Pimentel also said that the passage of the bill would widen the options of President Corazon Aquino on the matter of U.S. military bases when they come up for decision in 1991.

Near East & South Asia

Writers Delegation Concludes Pakistan Visit

OW2005091288 Beijing XINHUA in English 0626 GMT 20 May 88

[Text] Islamabad, May 20 (XINHUA)—A five-member Chinese writers delegation left Karachi, Pakistan, today for home after a fortnight visit to Pakistan.

Head of the delegation Yuan Ying noted during the visit that both China and Pakistan have started translating and publishing master-piece works of literature of both Pakistan and Chinese languages in accordance with an agreement signed last year by the two countries. "Such mutual translations can enrich literatures of both the countries immensely," he said.

Yuan said that Pakistan and China shared certain common and ever-lasting values in the shape of particular endeavors for peace and human dignity. Quite many

writings of both languages highlighted these basic human strivings which became universal when in [word indistinct] with fuller devotion and uprightness, he said.

During its stay in the country, the delegation toured various cities of Pakistan including Karachi, Hyderabad, Sukkur, Quetta, Lahore, Peshawar and Islamabad and met over 150 Pakistan counterparts.

When asked about his impressions about Pakistan, Yuan Ying said the visit was valuable for more than one count, "and we are particularly happy to find the people of Pakistan entertaining solid goodwill and brotherly feelings for the Chinese. The time-tested relations between both peoples would continue to cement with the passage of time."

The press secretary of President Ziaul-haq had conveyed the good wishes and personal regards of the president to the members of the delegation. Pakistan education Minister Sajjad Haider met them during their stay here.

Sub-Saharan Africa

Mozambique's President Chissano Continues Visit

Meets With Restaurateurs

OW1905170688 Beijing XINHUA in English 1427 GMT 19 May 88

[Text] Chengdu, May 19 (XINHUA)—Three Chinese chefs who are going to Mozambique to open a restaurant got a word of advice from the country's president today.

Mozambican President Joaquim Alberto Chissano was touring this capital city of Sichuan Province when he stopped to talk to the chefs, Zhang Renfa, Cheng Yixiao and Yuan Guoliang.

The trio, in their mid-30s, plan to open a Sichuan style restaurant in Mozambique's capital, Maputo.

Chissano had one word of advice for them—learn Portuguese so they could communicate with the people.

They told the president that they would cooperate with the local people and offer a training course for local chefs.

Chissano and his party also visited a toothpaste factory and a porcelain enamel factory before returning to Beijing this afternoon accompanied by China's minister of construction, Lin Hanxiong.

Departs for DPRK

OW2005084688 Beijing XINHUA in English 0030 GMT 20 May 88

[Text] Beijing, May 20 (XINHUA)—Mozambican President Joaquim Alberto Chissano, his wife and their party wound up their official goodwill visit to China and left here by special plane for Pyongyang this morning.

They were seen off at the airport by Chinese Minister of Construction Lin Hanxiong and Chinese Ambassador to Mozambique Zhang Baosheng.

Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, and diplomatic envoys of African countries to China were also present at the airport to see Chissano off.

Wang Zhen Meets Somali Defense Minister

OW2005131788 Beijing XINHUA in English 1209 GMT 20 May 88

[Text] Beijing, May 20 (XINHUA)—Chinese Vice-President Wang Zhen described here today the future for the development of the relationship between the Chinese and Somali peoples and armies as "very bright."

Wang made this remark while meeting with Aden Abdillahi Nur, Somali Minister of defense.

The vice-president expressed his appreciation of Somali Government's policies, under the leadership of Somali State President Mohamed Siad Barre, of uniting all nationalities internally to build up a national economy, and of sticking externally to nonalignment and developing friendly cooperation with other countries.

Wang said the cooperation between the two countries have developed satisfactorily since the establishment of Sino-Somali diplomatic relations.

Wang said, "now our two countries are faced with the similar issues of peace and development. We all need a peaceful international environment to develop our own economy."

He reaffirmed that it is a cornerstone for Chinese foreign policy to strengthen unity and cooperation with the Third World countries. "China will, as always, consolidate the unity and cooperation with African and other Third World countries to promote the economic development and prosperity of all the countries," he said.

Aden said that Somalia is willing to continue its friendly cooperation with China. He asked the Chinese vice-president to pass on a letter of Mohamed Siad Barre, secretary-general of Somali Revolutionary Socialist Party, to Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee.

Present at the meeting was Qin Jiwei, Chinese state councilor and minister of national defense.

Aden and his party will return home tomorrow.

West Europe

FRG Offers Technical, Financial Aid Package

OW1905142888 Beijing XINHUA in English 1149 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA)—China will receive about 300 million marks of aid from Federal Germany this year, a joint accord signed here today states.

The aid includes technology worth 80 million marks and financial aid of 200 million marks, a commission from both countries decided after a week-long meeting.

Federal Germany will also provide grain assistance to China's Shangdong Province which has suffered serious draught.

Shen Jueren, deputy minister of foreign economic relations and trade of China, and Siegfried Lengl, secretary of state of Economic Cooperation Ministry of Federal Germany, signed the document on behalf of their respective governments.

Irish President Hillery Visits Suzhou City

OW2005065488 Nanjing Jiangsu Provincial Service in Mandarin 0915 GMT 14 May 88

[Excerpts] Accompanied by Qin Zhongda, head of the reception committee and minister of chemical industry, Irish President Patrick Hillery and his wife and party arrived in Suzhou by train from Shanghai this morning. [passage omitted]

Those warmly greeting the distinguished Irish guests at the Suzhou railway station included Gu Xiulian, governor of Jiangsu Province; Yu Xingde, mayor of Suzhou City; and Li Jingcai, director of the provincial foreign affairs office. [passage omitted]

President Hillery and his wife, accompanied by Governor Gu Xiulian and Minister Qin Zhongda, visited four research institutes in Suzhou.

At noon on 14 May, Governor Gu Xiulian gave a banquet at the Suzhou Restaurant in honor of the distinguished Irish guests. Minister Qin Zhongda and others were present.

The distinguished Irish guests toured the canal by boat in the afternoon. [passage omitted]

East Europe

Li Xiannian Meets Bulgarian Delegation

OW1905131188 Beijing XINHUA in English 0819 GMT 19 May 88

[Text] Wuhan, May 19 (XINHUA)—Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference, met with the visiting delegation from Bulgaria's Fatherland Front at the Donghu (East Lake) Guesthouse here this morning.

The delegation is being led by Pencho Kubadinski, member of the Political Bureau of the Bulgarian Cmmmunist Party Central Committee and chairman of the Fatherland Front.

At the meeting, Pencho Kubadinski conveyed Todor Zhivkov's best regards to Li Xiannian while the latter asked Kubadinski to convey his regards to Zhivkov.

Li Xiannian was pleased to meet again Pencho Kubadinski, an old friend of Chinese people, who attended the Chinese Communist Party's Eighth National Congress 32 years ago.

The Bulgarian visitors arrived here from the southeast coastal city of Xiamen yesterday.

CPPCC, Bulgarian Fatherland Front To Cooperate

OW2005122888 Beijing XINHUA in English 1140 GMT 20 May 88

[Text] Beijing, May 20 (XINHUA)—An agreement on cooperation between the national committees of the Chinese People's Political Consultative Conference (CPPCC) and Bulgaria's Fatherland Front was signed here this afternoon.

According to the agreement the two sides will exchange delegations or working study groups to discuss specific plans of cooperation, exchange experience and study living conditions of the people and activities of the two organizations.

To deepen mutual understanding the two sides will also exchange material and publications.

Zhou Peiyuan, vice-chairman of the National Committee of the CPPCC, and Penchao Kubatinsky, chairman of Bulgaria's Fatherland Front, signed the document.

Prospects Good for CSSR Trade Cooperation

OW2005131288 Beijing XINHUA in English 1154 GMT 20 May 88

[Text] Beijing, May 20 (XINHUA)—Trade relations between China and Czechoslovakia, which started in 1950, have gradually developed during recent years in spite of ups and downs, a Ministry of Foreign Economic Relations and Trade official said today.

This year's total trade volume agreed in their protocol on goods exchange and payment is 31.6 percent higher than in 1987, and exceeds the record high, the official said, adding the total import-export volume between 1986 and 1990 is expected to be double that of the previous five years.

According to the official, China and Czechoslovakia have been enjoying good economic and trade cooperation on the basis of equality and mutual benefit, are learning from each other's strong points to offset their respective weaknesses and are helping to supply each other's needs.

During the past 38 years, the main products China exports to Czechoslovakia include agricultural and sideline products, local produce and animal products, minerals, light industrial commodities, textiles, and arts and crafts.

Czechoslovakia has been exporting steel, steel pipe, chemicals, power station equipment, machine tools, and trucks to China.

China's household electrical appliances broke into the Czechoslovak market in 1987. China has also exported 7,000-ton ocean-going cargo vessels to Czechoslovakia, and under contract, China will build four 7,000-ton ocean-going cargo vessels for Czechoslovakia before the end of 1989.

In recent years, the two countries have explored new areas and ways of economic and trade cooperation which include cooperative production, import techniques, existing factory reform, compensation and barter trade, and cooperation in third country markets.

"Prospects for more economic, trade and scientific and Technological coooperation between the two countries look good," the official added.

Latin America & Caribbean

Panama Breaks Military Ties With U.S.

OW2005084788 Beijing XINHUA in English 0008 GMT 20 May 88

[Text] Mexico City, May 19 (XINHUA)—Panama is to break its military ties with the United States by closing its military office in the U.S., the Panamanian Defense Forces Information Office announced today.

The statement said that Panamanian military attache in Washington, Navy Captain Jose Santos Motta, had "ended his military activities before the U.S. Government."

The Panamanian Government made the decision because the United States does not respect the dignity of the military and the doctrine of the Panamanian Defense Forces, a communique of the Information Office said.

"There is not any relationship nor any communication channel with the U.S. Armed Forces," the communique said.

Panama is the location of the United States Southern Command, where over 10,000 U.S. troops are stationed.

State Council Issues Circular on Tax Collection

OW2005061988 Beijing XINHUA Domestic Service in Chinese 1043 GMT 15 May 88

[Text] Beijing, 15 May (XINHUA) — The General Office of the State Council yesterday issued an urgent cicular calling for all localities and departments to effectively step up the work of tax collection in order to ensure state revenue this year.

The circular says: The task in this year's state revenue is very arduous. All localities and departments should take the overall situation into consideration, bring in revenues according to state tax laws, and keep expenditures under strict control in order to ensure the implementation of the 1988 state budget. All localities should give first priority to the interests of the whole and let no one affect state revenues or cause a reduction in them. Leaders should be investigated for their responsibilities when financial and economic regulations are violated.

The circular stresses: Localities which are held responsible for their finances and enterprises in which the managerial contracted responsibility system is instituted must implement the unified tax policies and regulations and act in strict accordance with the tax laws, and they are not permitted to make any tax regulations of their own. Before the State Council formulates new regulations, all localities and departments should act strictly according to the "Regulations on the System for Management of Tax Collection" approved and transmitted by the State Council and its "Decision on Enforcing the Law and Discipline in Tax Collection and Strengthening the Work in This Regard."

The circular says: Product, value-added, and business taxes are the major means of state macroeconomic control and main sources for state revenue. These taxes should not be contracted out to enterprises. What can be contracted out to enterprises should be done strictly according to the State Council "Provisional Regulations on the Managerial Contracted Responsibility System in State Industrial Enterprises," and the above taxes are not permitted to be included in such a contract. A contract in which these taxes are included should be corrected. Strict control should be exercised over tax reductions and exemptions, which should be approved by those with authority granted by the state. Such authority should not be delegated from level to level, and no one can approve tax reductions and exemptions without authorization. All new companies, except those whose taxes may be reduced or remitted according to the tax laws or with approval by the State Council, should register with tax offices and pay their taxes according to law.

The circular says: The state is now carrying out a structural reform. As to how to set up and manage local tax offices, they should be done according to a unified plan by the central authorities. Before the implementation of the local structural reform, setting up and managing tax offices should be done according to State Council regulations in force; no taxation authority should be delegated to lower levels, nor tax offices should be abolished or merged. Tax offices should be set up according to economic zoning, and they should not set up at the township level.

The circular calls for tax departments at all levels to vigorously do their work, to strictly enforce tax policies and laws, to strengthen the management of tax collection, and to collect all taxes that should be collected in good time. Governments at all levels should strengthen their leadership over the work of tax collection, support tax departments in collecting taxes according to law, and take effective measures to check tax evasions, dealing severely with tax cases. The circular also calls on all localities and departments to make a general check on the enforcement of the tax laws according to the guidelines listed in this circular. Violations of the state tax laws must be resolutely rectified.

Personal Income Regulation Tax Revenues Up

OW1905180788 Beijing XINHUA in English 1400 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA)—China collected 22.7 million (about six million U.S. dollars) yuan in personal income regulation tax in the first quarter of this year, more than the total for the first ten months in 1987.

The increase shows improved management over tax collection efforts and enhanced awareness of tax payment among the people, a leading official of the State Administration of Taxation said here today.

He pointed out, however, that the figure still falls far short of the amount of tax that should have been collected.

Collection of personal income regulation tax began nationwide on January 1, 1987. Because of widespread tax evasion, however, China's tax authorities collected only 39 percent of projected tax receipts for the whole year.

Toward the end of last year, the Ministry of Finance, the People's Bank of China and other central departments issued a joint circular calling for improved management over tax collection.

Intensified efforts have led to a substantial rise in tax revenues so far this year, the official said.

Commentator's Article on Education, Youth

HK2005050588 Beijing RENMIN RIBAO in Chinese 7 May 88 p 1

[Commentator's Article: "For Tomorrow and for the Future"]

[Text] The great endeavor to re-energize the Chinese nation is like a relay race. Revolutionaries of the older generation laid down the foundation, the middle-aged

generation has gone through the rough and rugged path, and the torch of hope will soon be passed on to the hands of the next generation. The teenagers now at secondary and primary schools are China's future. Our concern for their healthy growth has a bearing on the success or failure of our cause, and the nation's rise or decline. We can never afford to be careless.

The Chinese nation has always had the tradition of paying attention to education and showing concern for the next generation. This tradition, as an important national endeavor, has been brought forward since the founding of the PRC. Although in between, there were the 10 years of calamities, the education of children and teenagers has been on a new path of healthy growth for the 10 years of reform and opening to the outside world. The investigations of state statistics department and some provinces and cities have shown that generally speaking, secondary and primary school pupils are making vigorous progress in both moral, intellectual, and physical education. The concern of the whole society for teenagers work is also unprecedented in intensity.

Because we are in the midst of drastic social changes, the ideological perplexity of grown-up people in society rising from the replacement of the old by the new system, and the conflict between the old and new concepts inevitably find expression in the ideological education work among teenagers. Therefore, as elders to the next generation, we must acquire a lofty sense of responsibility.

Ideological and moral education among teenagers is the primary concern of secondary and primary schools. Teaching and educating people are inseparable for every school and every teacher. Almost every nation in the world today is carrying out systematic education in public morals and patriotism. So, how can secondary and primary schools in our socialist country attach importance only to a higher rate of pupils entering a higher school? We should refrain from whatever doubts for fostering in children patriotism and a sense of good manners. This should be the capital construction of ideological and moral education. Only with a sound basis will it be possible to speak of a higher ideological plane and the improvement of the qualities of future citizens.

Example is better than precept in educating children. Here, we should not only require every teacher to set an example, but also every parent to become a model for their children. Family education and school education are of equal importance in the healthy growth of children. Some parents and grandparents who have gone in for unhealthy tendencies as well as bad habits will pollute children's minds. Even when they grumble, they will affect children's thinking consciously or unconsciously. Now the number of one-child families is growing, the infatuation and doting on children and the tendency of showing greater material care than ideological concern for children have resulted in the shortcomings of many an only child, who is spoiled, lazy, self-willed, and selfish. This has raised the worries of people with insight: Such a phenomenon is not just a problem in the child-rearing of some individual families, but a matter of consequence that may affect the quality of our nation.

China as well as our society are opening up. It is no longer possible to conduct school education and family education behind closed doors. Nor is it possible to keep children away from society—it just does not help. In fact, the greater environment characterized by reform and opening up is exerting far-reaching and positive effects on the healthy growth of teenagers. It is favorable to bringing up a generation of new people who have lofty ideals, morals, better education, and discipline as well as new-type builders in line with the requirements of socialist commodity economy and socialist democratic politics. Speaking of "general environment" and "specific environment," the "general environment" at present is fine. To conduct open education among teenagers, it is necessary to lay special stress on the combination of school education with family education as well as social education, and to create a fine "small group environment" at every link. Social education requires the participation and responsibilities of all social circles. The major problem in this area is the failure to come up with some specific work and measures. When the doors of the country are open, things good and bad will simultaneously pour in, while children are weak in their ability to distinguish good from bad, and right from wrong. This involves guidance from grown-up people to help them in telling good from bad. Both positive and negative things will emerge in relaxing and re-energizing the economy and cultural endeavors. This requires strengthening control and making complete and perfect the legal system. Anything injurious to children's healthy growth should be firmly banned and punished strictly according to the law.

The strengthening of ideological and ethical education among teenagers should also be based on the reform of educational thinking and methods. Whether in school education, family education or social education, it is necessary to firmly remove the remnants of the practice of taking class struggles as the key link and waging political campaigns, to firmly do away with leftovers from feudal education characterized by a reprimand and a big stick. It is necessary to promote educators to study the objects of their education, and to create a democratic and scientific method of moral education. Respect for children's legitimate rights and dignity, working hard to satisfy their appropriate desires, improving the two-way emotional flow on an equal basis, and deepening mutual understanding are the basis for successful education. They are not just a matter of method, but of vital importance in cultivating a healthy psychology of children starting from a tender age.

There are many popular topics on how to strengthen the ideological and ethical education among children. Beginning today, this paper opens a special column "Let All of

Us Show Concern for the Healthy Growth of Teenagers" on its third page to provide space for dialogues and discussions. Both educators and students as well as personalities in every social aspect are welcome to talk about their experiences and to explore issues in this area.

Revolutionaries of the older generation have braved countless dangers, the middle-aged generation have carried forward the cause of the predecessors and moulded the future. Why have they been doing this? For the happiness of the next generation of course! All grown-up people who have a concern for China's future should take action for the healthy growth of our next generation.

Commentator's Article on Price Regulations
HK2005033388 Beijing RENMIN RIBAO in Chinese 15 May 88, p 1

[Commentator's Article: "Control and Supervise Commodity Prices According to Law"]

[Text] Recently, "Regulations Governing Punishment for Illegal Actions Concerning Prices," which was formulated according to the "PRC Price Management Regulations," has been officially promulgated by the State Price Bureau. This is an important measure aimed at strengthening the management and supervision of commodity prices, stabilizing the economy, and guaranteeing the smooth development of the reform.

Indiscriminately raising commodity prices is one of the factors which have caused continued price hikes in our country over the past few years. Indiscriminately raising prices has also aroused the strong indignation of the broad masses of the people. Over the past few years, in order to push forward with our national economic development, the state has properly readjusted the commodity prices in a planned way and step by step. And in the meantime, the state has also explained to the people why the commodity prices should be properly readjusted. As a result, people have shown their understanding for the decision made by the state. However, what is unacceptable to the masses is that some localities, departments, enterprises, and individual business operators have indiscriminately raised the commodity prices either openly or in disguised form in order to seek their partial and individual interests. As a result, a handful of people have gained a huge profit while the broad masses of people have suffered heavy losses from such pricehikes.

At present, according to the relevant regulations formulated by the State Council, the people's governments in all parts of our country are gradually readjusting the prices of the major non-staple food and are providing certain price subsidies to the staff and workers. The purpose of readjusting the prices of the major non-staple food is to push forward with the development of production, increase the market supply, meet the market demand, and gradually make the market prosper through the regulation of the law of value. However, what we should pay attention to is that at present, some units and individuals have misinterpreted this decision made by the state. They want to rush onto the price-readjustment "train" so that they can indiscriminately raise their commodity prices and gain a big profit. We must pay attention to prevent them from doing so and put an end to such malpractice, otherwise the commodity prices would go up to an uncontrollable level and the our social stability would be undermined. Therefore, to conscientiously implement the "Regulations" and adopt effective measures to check the momentum of pricehikes will not only serve to protect the interests of the masses but also contribute to the healthy development of the reform.

It is true that the state has repeatedly called for a stop to the indiscriminate pricehikes. However, why are some people still taking illegal actions concerning prices? This situation is closely linked with the fact that the law has not been strictly implemented. The common view that "human relationship is more important than the law" has sometimes reduced the implementation of law into a mere form. For example, when a city's price examination institution discovered that a pharmaceutical factory in the city had gained over two million yuan by illegally raising the prices. However, because of the intervention of a relevant department, the price examination institution only fined the pharmaceutical factory 50,000 yuan. There have been a lot of similar cases across the whole country over the past few years. Failure to strictly implement the law will encourage those who are engaged in illegal price-raising activities to continue to raise the commodity prices and will make the honest people suffer more and heavier losses.

In order to put an end to the indiscriminate pricehikes, we must take economic sanctions against those who indiscriminately raise the commodity prices. This is a basic principle embodied in the "Regulations." Those who violate the "Regulations" must be dealt with sternly. And only by taking severe economic sanctions against those who violate the "Regulations" will it be possible for us to put an end to the malpractice of indiscriminately raising the commodity prices, will those who have been engaged in the illegal price-raising activities no longer dare to indiscriminately raise the commodity prices, and will we really be able to put an end to the indiscriminate pricehikes. Here, we must particularly point out that when implementing the "Regulations," we must first of all guarantee the powers of the price examination institutions at various levels so as to enable them to effectively supervise and examine the commodity prices according to the law. No one, no matter what position he holds, is allowed to intervene, either through the the powers they hold or through their personal relationship, in the work of the departments entrusted with the responsibility to implement the "Regulations." Once a relevant price examination department discovers that someone has violated a certain article of the "Regulations," it has the power to take severe economic sanctions against that particular person strictly according to the law. Only by doing things strictly according to

the law will it be possible for us to effectively implement the decisions made by the state, enjoy the ardent support of the people in our work, and maintain the social stability of our country.

Organization of Construction Ministry Underway

OW2005061288 Beijing XINHUA Domestic Service in Chinese 0550 GMT 16 May 88

[Text] Beijing, 16 May (XINHUA) — The organization of the Ministry of Construction, which incorporates four functional changes, is progressing smoothly, according to "JIANSHE BAO" [CONSTRUCTION JOURNAL].

A responsible comrade in charge of specific organizational work explained: The new ministry will not assume the functions exercised by the former State Construction Commission, nor will it simply expand the functions of the Ministry of Urban and Rural Construction and Environmental Protection. Instead, it will make functional changes according to the guidelines of the 13th party congress on structural reform, and strive to provide quality service to win the support of society for construction work. Thus, its managerial functions will be exercised through the provision of service. As a State Council agency, having overall responsibility over construction, the ministry will carry out functional changes in the following four respects: Its managerial function will change from mainly direct to mainly indirect, from one of relying on government offices to one of relying on the industry and on the different trades, from one of emphasizing microeconomic control to one of stressing macroeconomic management, and from the specific to the general. In other words, the ministry will concentrate on policies and guidelines, laws and regulations, overall planning, technological progress, development of the intellectual resources, international cooperation, and supervision and inspection related to construction throughout the country. The new ministry will put reform at the center of all its work, concentrate its effort, and integrate it with the construction undertakings to bring about the latter's development.

It was learned that the new ministry will be a State Council agency, having overall responsibility for the nation's construction work and industry (engineering projects, city, town, and village construction, the construction industry, and real estate development and management). Its main functions are: 1) to exercise overall management and supervision concerning the norms, surveys, and designs, and the actual construction of engineering projects undertaken by local authorities or departments in all parts of the country; 2) to plan and guide city, town, and village construction throughout the country; 3) to manage the nation's construction industry and the development and management of real estate; 4) to actively develop construction markets abroad, to manage the contracting of foreign engineering projects and labor export business, and to promote the export of building materials, machinery, and equipment through the development of foreign contracting business in order to earn foreign exchange for the country. The primary goal is to make the construction industry a mainstay of the national economy as soon as possible, and to enable central cities to bring along the surrounding areas in their economic development.

It was learned that the new ministry will strengthen departments having overall responsibilities over construction and reduce those in charge of managing enterprises, after incorporating the departments of the now-abolished Ministry of Urban and Rural Construction and Environmental Protection and some of the departments of the State Planning Commission. As a result of the changes, the number of departmental and bureau level units will decrease by 25 percent, while the number of personnel will be reduced by 20 percent. The ministry has also established a special group, which will shortly restructure the enterprises and institutions under the ministry, according to the principle of streamlining administration, delegating power to the lower levels, and staffing qualified personnel without discrimination, and after extensively soliciting views from quarters concerned.

Symposium Views Mao Zedong's Later Thinking

HK2005104088 Beijing GUANGMING RIBAO in Chinese 9 May 88 p 3

[Article by Dong Cunfa (5516 1317 4099): "Minutes of Academic Symposium on Mao Zedong's Thinking in His Later Years"]

[Text] Recently, the Central Party History Research Institute organized the first academic symposium on "Mao Zedong's thinking in his later years" to study some important issues in research into Mao Zedong's thinking in his later years. The following is a roundup of the discussions at the symposium:

First, the scope of Mao Zedong's thinking in his later years. The participants unanimously held that Mao Zedong's thinking in his later years includes the ideas and theories that Mao Zedong put forth in those years in the process of exploring the road to building socialism in China. This is mainly theory concerning questions about what kind of socialism to build and how to build socialism. This theory was developed to an integrated system. Practice showed that this theoretical system was basically divorced from China's reality and was erroneous, but it also included some correct elements, such as the idea of taking agriculture as the foundation for the national economy and the idea of adhering to independence and self-determination in international relations and opposing hegemonism in international affairs. Mao Zedong's thinking in his later years mainly refers to his erroneous ideas in those years, so it must be strictly distinguished from Mao Zedong Thought. Mao Zedong's thinking in his later years should not be equated with the mistakes he committed in his later years either. The former includes the latter, but the former is not limited to the latter.

Second, the division of Mao Zedong's thinking in his later years into different stages. One opinion held that it can be divided into three stages: The first stage was between 1956 and the 10th Plenary Session of the 8th CPC Central Committee. In this stage, Mao Zedong gradually changed from a correct position to an incorrect position, and put forth ultra-leftist utopian socialism. The second stage was between 1962 and the beginning of the "Cultural Revolution" in 1966. In that period, Mao Zedong's leftist ideas encountered frustration; and different opinions began to develop inside the party. As the differences in the international communist movement were intensified, Mao Zedong regarded this as a demonstration of revisionism, so he put forth the slogan of "taking class struggle as the key link" and tried to "oppose and prevent revisionism" through the "socialist education movement." The third stage was between 1966 and 1976. In this stage, Mao Zedong regarded the situation more and more sternly and held that the method of socialist education could no longer achieve the purpose of "opposing and preventing revisionism"; instead, a mass movement of a "cultural revolution" from bottom to top had to be waged. In this period, the erroneous theory about "continuous revolution under the proletarian dictatorship" was formed. The other opinion held that the first stage should again be divided into two parts: Between 1956 and 1957, Mao Zedong put forth some important concepts about the "ten major relationships," the "two types of contradictions," and the "double-hundred policy" which represented his exploration of building democratic socialism; between 1958 and 1962, he put forth a set of ideas about utopian socialism with the "three red banners" as the main emphasis. Some comrades did not agree with including Mao's ideas before the anti-rightist struggle in 1957 in the category of Mao Zedong's thinking in his later years.

Third, the main contents of Mao Zedong's thinking in his later years. One opinion held that this thinking can be divided into three major parts: First, Mao Zedong's outlook on socialism, that is, the social pattern of socialism in his mind. This was reflected in the concept of the "people's commune" and his "May 7 Instruction." Second, Mao's formation of the development stage of socialism, including the basic contradiction and main contradiction in socialist society, and his opinion on the transition period, the accomplishment of socialism, and the realization of communism. Third, Mao Zedong's theses about the way to build socialism, including the concrete development policies in the economic, political, cultural, and ideological fields, such as the "Great Leap Forward" economic development strategy and the theory about continuous revolution under the proletarian dictatorship. The other opinion held that Mao Zedong's thinking in his later years can be summarized into his utopian socialism represented by the concept of the "people's commune," his "Great Leap Forward" economic development strategy, and his theory about continuous revolution under the proletarian dictatorship.

Fourth, the root of Mao Zedong's thinking in his later years. To sum up, there were a number of root causes: First, in his later years, Mao Zedong treated some individual conclusions of Marxism-Leninism as rigid dogmas or understood them incorrectly, and then took this as his theoretical foundation. When he developed his mistakes, he still thought that he was defending Marxism-Leninism. Second, in his later years, Mao Zedong regarded the experience in the revolutionary war period as something sacred, and maintained it in the period of economic construction. For example, the material supply system in the form of military communism and the mass movements were maintained and carried forward. Third, the forming of Mao Zedong's thinking in his later years was subject to the influence of some traditional ideas in China or from abroad. For example, the idea of Great Harmony and egalitarianism in the distribution of property in China's traditional culture, as well as various utopian socialist ideas, all influenced Mao Zedong. Fourth, the backward semi-natural economy and the extensive existence of small-scale production were the social root cause of the emergence of Mao Zedong's thinking in his later years.

Fifth, the methodology for studying Mao's thinking in his later years. The opinions of the participants can be summed up as follows: First, Mao Zedong's thinking in his later years is a complicated theoretical system, which is basically wrong, but also includes some correct elements. So the study of this thinking should adhere to materialist dialectics and should be based on realistic analysis and objective appraisal in an all-round way. Second, it is necessary to restudy the relevant theories in the classical works of Marx, Engels, and Lenin, particularly those parts quoted by Mao Zedong as the foundation for his theory so as to clearly identify the actual meanings and historical backgrounds and historical limitations of these theories. Third, the formation and development of Mao Zedong's thinking in his later years were closely relaterd to the influence of China's traditional culture and to the history of the international communist movement. Mao Zedong was a historical figure with links to the whole world. He was influenced by various utopian socialist ideas in both the East and the West and he pursued an ideal social pattern of Great Harmony. Therefore, to study Mao Zedong's thinking in his later years in depth, it is also necessary to study China's traditional culture and the history of the international communist movement. Fourth, the study of Mao's thinking in his later years should also be linked with the study of Mao's personal practice in his later years and the history of the CPC. His personal practice directly reflected his theory. The practice of socialist construction led by the party is the criterion for testing the correctness or falsehood of Mao Zedong's thinking in his later years.

Scholar Urges Smashing 'City Wall Culture'

HK2005025788 Shanghai SHIJIE JINGJI DAOBAO in Chinese 2 May 88, p 15

[Report: "Zhang Zonghou Says in Beijing That the 'City Wall Culture' Should Be Smashed"—boldface as published]

[Text] Judging from a legal angle, traditional Chinese culture can be summed up with three Chinese characters: "Heaven," "Fate," and "Emperor." Heaven is the greatest, the emperor is the supreme leader, and the common people have to recognize their own fate. In concept, this is reflected by the "city wall culture."

At the beginning, Zhang Zonghou said: A central leader recently said that to those people whose thinking is rigid, every word of the people advocating emancipation of the mind is too much.

Zhang Zonghou attributed this phenomenon to the "city wall culture." He said that judging from a legal angle, traditional Chinese culture can be summed up with three Chinese characters: "Heaven," "Fate," and "Emperor." Heaven is the greatest, the emperor is the supreme leader, and the common people have to recognize their own fate. In concept, this is reflected by the "city wall culture." What does China have more of than other countries? It has more walls, including the Great Wall and all kinds of small walls in all villages. Chinese areas are all closed by such walls. This is the main reason for the backwardness of China in modern history. Therefore, we should announce rehabilitation of the "coastal lines." The coastal lines should not serve as the chains to lock up the country, but should become bridges linking China with other parts of the world. In the 15th century, Zheng He made seven voyages to the western oceans and discovered and expanded the sense of self. By making four voyages to the west, Columbus discovered a "new continent." At present, the developed countries, such as Britain, the United States, the "four small dragons" in Asia, and Japan, are calling their culture "ocean culture." It is an open culture. Although there actually exists a "Chinese cultural circle" from Siberia to southeast Asia, which accepts the Chinese culture, the Chinese culture has been accepted in an open way. We have tied ourselves up.

Zhang Zonghou got an idea, that is, to establish a new "field of legal culture" in China. There was a common root for the "great purge" in the Soviet Union and the "great cultural revolution" in China, the two great disasters in the international communist movement, that is, Stalin's theory on the state and law, which regards the state and law as instruments of class struggle. Now, we must make a retrospection of this. There is not only the need of developing the commodity economy and building democratic politics in our country but also a need to develop the international communist movement.

He held that to our country, the new Hainan Province is an economic experimental plot and a political experimental field. If we do not think so, the Hainan Special Economic Zone will be unable to develop. In the past, we always emphasized the control of the superstructure over the economic basis. As a matter of fact, we should emphasize the demands the economic basis has set on the superstructure and the responsibilities of the economic basis. The development of the commodity economy will naturally require this modern idea to develop simultaneously. However, this problem has remained unsolved for quite a long time.

We must free ourselves from the trammels of the "city wall culture," carry out an all-round study of culture, and launch a real "great cultural transformation."

Yan Jiaqi Says Omnipotency Concept 'Obstacle'

HK1905020188 Shanghai SHIJIE JINGJI DAOBAO in Chinese 2 May 88, p 15

[Report: "Yan Jiaqi Says in Beijing That 'Omnipotency' Concept is Serious Obstacle to China's Progress"]

[Text] In the course of the reform of the economic structure and the political structure, we must foster the following concepts: First, we must face squarely the problems that emerge in the course of the reform. Second, we must carry out the reform on the basis of the legal system and in the spirit of "rule by law." This is the view put forward by Yan Jiaqi at the Beijing Theoretical Workers' Conference.

The following is what Yan Jiaqi said at the Beijing Theoretical Workers' Conference: Many measures that are presently being implemented are actually not reform measures. People simply think that all the measures which are different from those implemented in the past are the reform measures. This is indeed a misunderstanding. China has always been a country controlled by "administrative orders." In China, the behavior of one person is determined by the "orders" of another person while the behavior of one institution is determined by the "orders" of another institution. The "administrative orders" are always "vertical orders." China lacks "lateral associations" and "lateral flow of information." The development of commodity economy and market mechanism has greatly helped to increase the "lateral associations" and promote the "lateral flow of information" in China. In the course of such a drastic change, we must strengthen the building of the legal system, especially the work of formulating the administrative law and the economic law, so as to turn the traditional and unitary "control by administrative orders" into "control by law." Because our country's legal system is not yet perfect, the emergence of some disorder in the course of the reform is not a strange thing. Without the guarantee of a legal system and without a legal basis, it would be impossible for us to successfully carry reform through to the end. The reforms we are presently carrying out are just like the various vehicles running on the road. The present situation is that many of the old traffic rules need to be changed and some of the old traffic rules need to be replaced by a complete set of new rules. However, before the new rules are formulated, many leaders have already started talking about them. What these leaders are doing is actually to issuing various "administrative orders." Some leaders say that the "express line" and the "slow

line" on the road should be separated. Some say that the "express line" on the road should be divided into the "super-express line" and the "express line." Some say that the "bicycle line" and the "pedestrian line" on the road should not be separated. These leaders have expressed widely divergent views concerning the formulation of the "new traffic rules." As a result, trucks, motorcycles, bicycles, cars, and trolley-buses now move on the road according to their respective understanding of the traffic rules. This situation might cause a host of problems. Some leaders even think that they cannot find proper solutions to such problems as the "price problem," the "inadequate compensation for intellectuals problem," and the problem of "decadent phenomena in the society." In my view, there are no problems which cannot be solved by a competent government. How can these leaders say that they cannot find proper solutions to the above problems? In my view, the present problem is that we lack a complete set of new and scientific "traffic rules."

If we only guide the reform by popularizing the reform in the newspapers without legally guaranteeing the process of the reform, it will be impossible for us to solve the above "three major problems." Therefore, once some problems are reported and discussed in the newspapers, people will think that what is published in the newspapers is just something written by some theoreticians, some social scientists, and some writers in order to influence the public opinion and attack some other people. As a result, the label of "transcending the law" has begun to be put on some people. Over the past 10 years, China's theoretical circle has made great contributions to the ideological emancipation and the reform process. However, what about the result? If the difficulties in the reform are thought to be caused by the theoretical circle, then is it true that our theoretical workers will have to keep their mouths shut?

At the recently convened NPC and CPPCC, many deputies "put forward suggestions and even made appeals to the authorities." Why did the deputies of the "NPC," which is the supreme state power organ in China, have to "put forward suggestions" and "make appeals to the authorities?" What does this phenomenon tell us? Many people thought that so long as the deputies of the NPC put forward suggestions and invited some leaders to support their suggestions and views, problems would be solved. However, we know that the leaders and the deputies of the NPC and CPPCC live in the same country. If we want to further develop China, we should undoubtedly rely on the leadership of the party and the correct policies of the party and the state. What is more important, we should also rely on the initiative and enthusiasm of the people's governments at various levels, the initiative and enthusiasm of the various enterprises, and the initiative and enthusiasm of the various units. What else should we rely on? We should rely on the legal system and the freedom of choice provided by the "law" to the people. The present problem is that the numerous administrative orders, some of which are contradictory to one another, have deprived quite a number of government organs, enterprises, units, and individuals of their freedom of choice. Therefore, under such circumstances, how can we arouse initiative and enthusiasm of the people's governments at various levels, the various enterprises, the various units, and individuals?

The power concept of omnipotency is the biggest obstacle to China's social progress. According to the power concept of omnipotency, leaders can solve various problems by issuing administrative orders. A leader at the rank of provincial governor can issue any instructions on anything in his province as he wishes. The mayors, county chiefs, town chiefs, and township chiefs can only ask for the instructions of the provincial governor or simply wait for the provincial governor to issue his instructions. This shows that the leaders at various levels cannot independently make decisions according to the law and according to the rules and regulations but can only make their decisions according to the instructions of their superiors. They have to report to their superiors! They have to ask for the instructions of their superiors! And they have to wait for the instructions of their superiors! This is the phenomenon of "strong administrative control" in a traditional Chinese society. Such a phenomenon is inseparable from the fact that China lacks the market force and the lateral economic associations and the fact that China is still not a "rule-by-law country." If we want to vigorously develop China, we must discard the power concept of omnipotency and administer our country according to the law. The power concept of omnipotency is closely related with our traditional culture. Some leaders think that they can make decisions and issue instructions on any questions. These leaders include some leaders at the Central level, some provincial governors and provincial CPC committee secretaries, some mayors and city CPC committee secretaries, some county chiefs and county CPC committee secretaries, some township chiefs and township CPC committee secretaries, and some town chiefs and town CPC committee secretaries. The leaders of some units also think in this way. During the Chinese New Year and some other festivals, the leaders at various levels will usually go to visit some households. If the leaders do not go to see some people, then people will say that they do not show concern for the masses. Such a practice is actually a reflection of the power concept of omnipotency. Such "concern" implies that once you disobey me, I can punish you in some other way rather than punishing you in your work place and I can give you "tight shoes to wear" [a Chinese expression meaning to make things hard for somebody by abusing one's power] or take some opportunities away from you. Many leaders always think that they have the duty to show concern for the various problems in the daily life of other people. In my view, the relationship between the leaders and the masses should be the simple work relationship. Leaders do not need to go to visit the masses in their homes (of course, leaders are free to visit their friends). How can leaders have the right to waste other people's time

without first getting the approval of the people concerned? The practice of governing the society with administrative orders is closely linked with the power concept of omnipotency. If we want to further develop China, we must first of all discard the power concept of omnipotency, carry out the reform on the basis of the "legal system," and push forward with and ensure the success of the reform by establishing and perfecting our legal system so as to gradually turn China from a society "governed by administrative orders" into a society really "governed by the law."

Beijing Judicial Experts Discuss Basic Law

HK2005023188 Beijing ZHONGGUO XINWEN SHE in Chinese 1046 GMT 18 May 88

[Report: "Beijing Judicial Experts Hold a Discussion on the Hong Kong Basic Draft Law"]

[Text] Beijing, 18 May (ZHONGGUO XINWEN SHE)—About 20 Beijing judicial experts held a discussion here today on the first edition of the "(Draft) Basic Law of the Hong Kong Special Administrative Region."

These experts pointed out that the drafting committee members had really done a good job in completing the first draft of the Basic Law within 2 years and 10 months without any precedent to go by. Wang Shuwen, director of the research institute of the Chinese Academy of Social Sciences and member of the Basic Law Drafting Committee, remarked: The formulation of the concept of "one country, two systems" is unprecedented and is the crystalization of the wisdom of the Chinese people. The first draft of the Basic Law, he added, gives expression to the concept of "one country, two systems," and this is in itself a great creation and has posed many topics for reasearch by Chinese judicial experts. Sun Bingzhu, an assistant professor in the Chinese university of political science and law, said that the Basic Law can be used for reference by some countries and is also beneficial to the formulation of the Macao Basic Law.

While referring to the drafting of the Basic Law, Shu Weiyun, member of the drafting committee and a professor in the law department of Beijing University, pointed out that Hong Kong's politics and economy are different from those on the mainland, as are the people's minds, concepts, and ways of viewing problems. So the provisions should be drafted in light of Hong Kong's specific conditions; it will not do to copy the mainland's law or legal provisions of other countries. Therefore mainland members of the drafting committee came to Hong Kong to solicit opinions from the local people on the Basic Law, before they started drafting the provisions. In the course of drafting, they once again came to Hong Kong to conduct a survey on special topics. They will visit Hong Kong again next month to listen to the local people's opinions on the first draft of the Basic Law. All this is aimed at suiting the Basic Law to the interests of the majority of Hong Kong people and to development during the 50 years after 1997.

Zhang Youyu, honorary chairman of the China Academy of Law, said that it is necessary to know the situation in Hong Kong well and to listen to the opinions of people from all walks of life in Hong Kong. There is no need to draw a conclusion on the contents of the Basic Law in a hurry, he added. As a special administrative region, he continued, Hong Kong will enjoy a high degree of autonomy, and we will not interfere in Hong Kong's internal affairs too much. While formulating the provisions of the Basic Law, attention should be paid to major principles; the provisions should not be formulated with too many details.

The participating experts and academics had a heated discussion on the provisions of the Basic Law and aired many opinions and suggestions. Zhang Shangzhuo, professor of administrative law, pointed out the necessity to use uniform phrasing of words in the legal provisions.

The discussion was sponsored by the China Academy of Law and presided over by its chairman, Wang Zhongfang.

Leaders Greet Industrial Economics Society

OW1905010888 Beijing XINHUA Domestic Service in Chinese 1140 GMT 17 May 88

[By reporter Wu Shishen]

[Text] Beijing, 17 May (XINHUA) — The curtain was raised today on the first annual meeting of the China Industrial Economics Society — a product of China's continuous efforts to deepen the reform of the economic structure. From now on, the society will play the new roles of a "servant", "consultant", and "bridge" on the broad stage of enterprise reform as it ventures into new territories of development.

Zhao Ziyang, general secretary of the CPC Central Committee, and Li Peng, premier of the State Council, sent letters to extend their congratulations. Zhao Ziyang expressed wishes that the China Industrial Economics Society will follow the policies of reform and opening up, conduct in-depth research and investigation, contribute to the strengthening of macro-economic management, and serve as a bridge linking the government with various trades and enterprises. Li Peng encouraged the society to provide better service to the state and grassroots units, and struggle for China's industrial modernization.

According to its articles of association adopted at today's meeting, the China Industrial Economics Society — revolving around industrial modernization and placing reform in the center of all undertakings — will conduct surveys and research and offer consultations to support the state in reinforcing macro-economic management and in invigorating enterprises. It will play the role of a bridge among the government, trade organizations, and groups of enterprises. Economic experts held that "it is an extremely vast terrain." It is expected that the society

will contribute to developing a new economic operational mechanism under which "the state regulates the market and the market guides enterprises", and become "the right hand" of government departments. Plant directors and managers from grass-roots units place great hopes on the society. However, at the same time, they are concerned that the association might become a "second boss." Lu Dong, chairman of the China Industrial Economics Society , explicitly indicated: The society is resolved to pursue reforms with a brand new attitude, ideas, and approach. It will do away with "bureaucratic airs" and establish itself as a new type of association which handles ideological as well as concrete work.

Bo Yibo, vice chairman of the CPC Central Advisory Commission and honorary chairman of the society, gave a piece of advice to the meeting participants: Do solid work and be organized and efficient. He also asked the society to do things in a down-to-earth, no-frills manner and vigorously open up the future.

Qiao Shi Inspects Cities in Anhui Province

OW2005095188 Beijing XINHUA Domestic Service in Chinese 1359 GMT 18 May 88

[By Reporter Tian Wenxi]

[Text] Hefei, 18 May (XINHUA) — Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and secretary of the Central Discipline Inspection Commission, inspected Anhui Province's Hefei, Maanshan, Wuhu, Tongling, Huangshan, Anqing, and other prefectures and cities as well as some rural, mountainous areas in southern Anhui from 6 to 17 May to study the question of how to strengthen party building in the new situation brought about by reform and opening to the outside world. He pointed out: It is the common task of leading party and government cadres at all levels to strengthen party building. To foster a fine party workstyle, leaders must first set an example in this regard; and second, all party members must also start doing so themselves.

During the inspection, Qiao Shi heard work reports by the Anhui Provincial Party Committee and some city and prefectural party committees and held discussion meetings. He also visited some factories, mines, and enterprises and talked with workers and peasants.

Qiao Shi pointed out during the inspection: Party building merits our close attention. In the new situation in particular, brought about by reform and opening to the outside world, we should attach great importance to building the party ideologically, organizationally, and in terms of workstyle. He said: The 13th party congress called for maintaining high standards. This requires party and government leaders at all levels to make vigorous efforts in party building. We should always put party building on our agenda and work on it persistently and practically as we do in economic construction. By so doing, we will enable our party to stand the tests of remaining in power as well as of reform and opening to the outside world.

On fostering a fine party workstyle, Qiao Shi said: Since the 3d Plenary Session of the 11th CPC Central Committee, the party workstyle has generally been good. The basic quality of most party members has also been good. Of course, there have been some new problems in this regard, and the masses have been talking a lot about them. He pointed out: It is a major task for the whole party to foster a fine workstyle, and party and government cadres at all levels should set an example in this regard. They should go to the lower levels and among the masses, work hard, and do practical work for the masses in a down-to-earth manner. Only when leading cadres follow a fine workstyle will they be able to influence party members and encourage them to develop the fine workstyle of the party. However, starting with the leaders does not mean that ordinary party members should make less strict demands on themselves. Only when all party members start setting an example in this regard can we develop the fine workstyle of our party.

Qiao Shi said: We should inherit and carry forward the party's three important workstyles — integrating theory with practice, forging close ties with the masses, and practicing criticism and self-criticism — and other fine traditions. Since the 3d Plenary Session of the 11th CPC Central Committee, new developments have been made in these fine traditions and workstyles. For example, the many major reform measures taken since the reform of the rural economic structure are a new development of the fine workstyle of integrating Marxism with China's present practice, forging close ties with the masses, and respecting their creative initiative. Qiao Shi said: There should be new standards and requirements for developing the fine party workstyle in the new situation brought about by reform and opening to the outside world. It is necessary to do a good job in conducting education on party spirit and foster a fine party workstyle according to "the central task" and "the two basic points" laid down by the 13th party congress.

Qiao Shi said: We should not use the method of carrying out a movement to foster a fine party workstyle; we should effectively and practically carry out education on ideals and discipline to enable the large numbers of Communist Party members to keep communist ideals firmly in mind, to have a strong sense of discipline, to strictly abide by party rules and regulations, and to be disciplined models with ideals, morality, and culture. Vigorous efforts should be made to commend and publicize outstanding party members.

Qiao Shi said: It is necessary to invigorate the economy and be honest and upright in working as government functionaries. Cadres of party and government organizations must all maintain the style of being honest in performing their official duties and waging arduous

struggle. Those who fail to stand the tests of reform and opening to the outside world and violate party discipline and state laws must be dealt with severely. Corrupt elements must be resolutely expelled from the party.

Lu Rongjing, secretary of the Anhui Provincial CPC Committee and governor of the province, and other comrades accompanied Qiao Shi on the inspection.

Soldier Sentenced for Stealing Military Secrets

HK2005082888 Beijing JIEFANGJUN BAO 12 May 88, p 3

[Report by Liu Weiping (0491 0251 5493): "Zheng Weidan Sentenced to 14 Years Imprisonment for Selling Military Secrets"]

[Text] Zheng Weidan was formerly a soldier in the reconnaissance company directly under a certain artillery brigade and joined the ranks in 1977. He was sentenced in November 1984 to 2 years in prison for destroying documents. After he finished serving his sentence of reform through labor and was released, he returned to Fuzhou for job assignment. During this period, he became acquainted with Lin Wanlan who was from Guantou Town, Lianjiang County, Fujian. Lin recruited Zheng to his side in a scheme to steal military maps, saying that selling them to enemy agents would make big money. At Lin's instigation and lured by money, Zheng Weidan consented to the scheme.

In March 1987, Zheng returned to the Army unit in which he had formerly served and stole 11 military maps from the long-distance telephone room in the offices of a disbanded regiment. In collaboration with Lin Wanlan, Lin Jieming, and others, Zheng sold the maps to enemy agents for a price of $500, gaining 600 yuan from the deal. At the same time, Zheng willingly accepted a 17-item list for information-gathering on the mainland from the enemy agents.

During the first 10 days of May 1987, he once again returned to his former Army unit. Following the instructions on the list he made inquiries about related information but met with rejection. One night Zheng Weidan stole an additional 25 military maps from the same place as before, and two books of secret military material, separately from the dormitory of Company Commander Zhang and from that of Meteorological Platoon Leader Chen, and then returned home to Fuzhou with the booty. He attempted to sell them for profit but he was arrested because the case had been uncovered.

Zheng Weidan's conduct in stealing and selling military maps and materials, which infringed upon the state's military interests, constituted the crime of providing the enemy with stolen military secrets. On 8 March 1987, the Nanjing Military Region military court sentenced Zheng Weidan to 14 years in prison according to law.

Restored PLA Rank Structure Explained

HK2005061088 Hong Kong KUANG CHIAO CHING in Chinese No 188, 16 May 88, pp 10-14

[Article by Fu Mei-hua (0265 5019 5478): "Inside Story on the Restoration of Military Ranks in China"]

[Text] [begin editor's note] The Chinese military authorities will soon announce the restoration of military ranks. This magazine takes the lead in publishing an exclusive report on the inside story.

It is learned that the restoration of military ranks will be in two stages: On 1 August, three classes of medal will be presented to a large number of veteran soldiers. On 1 October, military ranks will be conferred on all active service military officers. There will be 11 ranks in three classes. The rank of Marshal will not be restored; instead, First General will be the top rank.

The Chinese military authorities encountered many complicated problems in the course of restoring the rank system.

Should honorary titles be conferred on the large number of career soldiers who rendered meritorious military service in the past?

If military ranks are conferred on retired officers, too many people will be entitled to achieve general's ranks, and this may "devalue" the rank and cause endless trouble in the future.

When new army uniforms were issued a few years ago, many old soldiers were unhappy because they did not want them. They still liked to wear the old uniform and told others: "This is the uniform issued by Chairman Mao."

It is planned to present military medals and confer military ranks at the same time, and the rank system will be very special. Retired veteran soldiers will be appeased. The original plan will be in keeping with China's special conditions and will be acceptable to they various quarters concerned. [end editor's note]

The Chinese Army Will Restore Military Ranks in 1988 [subhead]

On 13 April 1988, the Seventh NPC Standing Committee held its first plenary meeting. At that meeting, the first bills to be deliberated were the "Regulations on Military Ranks for PLA Officers" submitted by the Central Military Commission Chairman Deng Xiaoping; the Central Military Commission's decision to present PLA medals of honor to retired army cadres; and the bill reaffirming ranks conferred on military officers between 1955 and 1965.

Reportedly, the NPC Standing Committee only listened to an explanation of these bills, and will not take a final decision of approval them until the second plenary meeting.

Presenting Medals on 1 August and Conferring Ranks on 1 October [subhead]

The restoration of military ranks will be done in two steps.

In the first step, the political and economic position of retired army cadres will be resolved. On 1 August, the 61st anniversary of the founding of the PLA, medals of honor will be conferred on a large number of veteran army cadres. The medals of honor are divided into three classes. The 1st class medal is the "PLA Red Star Medal of Honor." Grade One of the Red Star Medal of Honor is conferred on retired army cadres who participated in the revolutionary army before 6 July 1937 (that is, during the Red Army period before the Anti-Japanese War) and held the military rank of major general or higher before May 1965, or held a leading post at provincial or ministerial level; Grade Two of the Red Star Medal of Honor is conferred on retired army cadres who participated in the revolution or joined the Army before 6 July 1937 and held the military rank of Senior Colonel or below before May 1965, or did not hold military rank. The 2d class medal is the "PLA Independence Medal of Honor," which will be presented on retired army military or political cadres who participated in the revolution or joined the Army between 7 July 1937 and 2 September 1945 (during the period of the Anti-Japanese War) and continued to maintain revolutionary honor. The 3d class medal is the "PLA Victory Medal of Honor," which will be conferred on retired army cadres who participated in the revolution or joined the Army between 3 September 1945 and 30 September 1949 (during the period of the "Liberation War") and continued to maintain revolutionary honor. By presenting medals of honor to retired army cadres, the army affirms and commends their revolutionary careers and contributions. Their political honor will thus be recognized by society. Reportedly, this medal presentation will be different from the previous ones. The medals of honor will be linked to the pension system, and pensions of the retired cadres will be raised by different margins according to the medals of honor they receive.

In the second step, the system of military ranks will be introduced throughout the army on 1 October 1988, the 39th anniversary of the founding of the PRC.

"Eleven Ranks in Three Classes," No Marshal's Rank [subhead]

Under the rank system proposed by the Central Military Commission there will be 11 ranks in three classes. The rank of Marshal will be abolished, and a new rank of First General will be added.

The three classes are the traditional ones of "general, field, and junior officers." The four ranks of general are: First General, General, Lieutenant General, and Major General; the four field officer ranks are: Senior Colonel, Colonel, Lieutenant Colonel, and Major; and the three junior officer ranks are: Captain, Lieutenant, and Second Lieutenant, making a total of 11 ranks.

Military officers are also divided into two major categories, namely, officers in charge of military, political, and logistic affairs, and officers in charge of technical and professional affairs. Officers in the first category can achieve the rank of Senior General, but officers in the second category can only achieve the rank of Major General.

The relationships between military ranks and military posts are as follows:

Post	Standard Rank	Other Ranks
Chairman and Vice Chairmen of the Central Military Commission	First General	General
Heads of the Defense Ministry and the three General Departments of the PLA, including members of the Central Military Commission	General	Lieutenant General, Major General
Military Region Commanders	Lieutenant General	General, Major General
Military Region Deputy Commanders	Lieutenant General	General, Major General
Army Commanders	Major General	Lieutenant General, Senior Colonel
Deputy Army Commanders	Major General	Lieutenant General, Senior Colonel
Division Commanders	Senior Colonel	Major General, Colonel
Deputy Division Commanders	Colonel	Senior Colonel, Lieutenant Colonel
Regiment Commanders	Colonel	Lieutenant Colonel, Major
Deputy Regiment Commanders	Lieutenant Colonel	Colonel, Major
Battalion Commanders	Major	Lieutenant Colonel
Deputy Battalion Commanders	Captain	Major
Company Commanders	Captain	Lieutenant
Deputy Company Commanders	Lieutenant	Captain
Platoon Commanders	Second Lieutenant	Lieutenant

Restoration of the Military Ranks System Encountered Many Complicated Problems [subhead]

The plan to restore the system of military ranks in the Chinese Army is part of the general military reform program and is a major step toward the Army's modernization and regularization. However, after preparations over a number of years the military authorities will officially restore the system later this year. There were many twists and turns.

The system of military ranks is quite similar to titles systems in many professional fields. The ranks include the evaluation of a person's service, contribution, and ability. The rank system is applies to everyone and is also directly related to a soldier's salary. As the CPC says, this is a matter with a "strong policy character." Thus it faced many difficulties. There are also many differences between the military rank system and the professional title system:

First, the number of military ranks is much larger than the number of professional titles. This time, the military rank system will include 11 ranks, which need to be carefully distinguished. However, there are generally four titles in each professional field.

Second, the military rank will be displayed on the soldier's uniform. An officer's rank can be immediately identified and people will be much more sensitive about their rank.

Third, military ranks are interrelated with the officer's post, and this makes the salary system more complicated.

Finally, the biggest difficult in restoring the military rank system is how to properly handle the veteran army cadres.

The 1955 Military Rank System [subhead]

The PLA adopted the military rank system for the first time on 23 January 1955. At that time, the Korean War had just ended and China began to enter the period of peaceful construction. The Army also began its "regularization" process. In those years China was learning from the Soviet experience in an all-around way, and copied the Soviet practice in army management. The military rank system was basically copied from the Soviet Union. In January 1955, the CPC Central Military Commission issued "Instructions on Conferring Military Ranks." On 8 February 1955, the Sixth Meeting of the First NPC Standing Committee adopted "Regulations on Active Military Service of PLA Officers," which stipulated that the Chinese Army would adopt the world conventional military rank system with 14 ranks in 4 classes: In the first class, Chief Marshal of the PRC and Marshal of the PRC; in the second class, Senior General, General, Lieutenant General, and Major General; in the third class, Senior Colonel, Colonel, Lieutenant Colonel, and Major; and in the fourth class, Senior Captain, Captain, Lieutenant, and Second Lieutenant.

On 27 September 1955, PRC President Mao Zedong officially conferred the military rank of Marshal of the PRC on Zhu De, Peng Dehuai, Lin Biao, Liu Bocheng, He Long, Chen Yi, Luo Ronghuan, Xu Xiangqian, Nie Rongzhen, and Ye Jianying. Meanwhile, State Council Premier Zhou Enlai issued an order conferring: The rank of Senior General on Su Yu, Huang Kecheng, Tan Zheng, Xiao Jingguang, Wang Shusheng, Chen Geng, Luo Ruiqing, Xu Guangda, Xu Haidong, and Zhang Yunyi; the rank of General on 55 people including Xiao Ke, Li Da, Zhang Songxun, Li Kenong, Wang Zhen, Ulanhu, Xu Shiyou, Hong Xuezhi, Ye Fei, Yang Dezhi, and Zhang Aiping; the rank of Lieutenant General on 175 people including Xu Liqing, Xiao Xiangrong, Zhang Jingwu, Zhang Zhen, Yu Qiuli, and Qin Jiwei; and conferring the rank of Major General on 801 people including Xie Fang, Chen Yi, Zhan Husyu, and Liu Huaqing. Between 1956 and 1964, a number of officers were promoted to general. In October 1964 there were 10 marshals, 10 senior generals, 57 generals, 177 lieutenant generals, and 1,395 major generals.

In 1965, Lin Biao took charge of the CPC Central Military Commission; China openly broke with the Soviet Union, denouncing the Soviets revisionists; and former defense minister Peng Dehuai was purged as a "chief of the anti-party clique." Thus the military rank system he initiated was naturally denounced as a "feudalist, capitalist, and revisionist" thing, which damaged the Chinese Army's tradition of maintaining unity between officers and men. On 22 May 1965, the Ninth Meeting of the Third NPC Standing Committee adopted a resolution to abolish military ranks. Liu Shaoqi, the then state president, issued an order on the same day abolishing military ranks. From then, military ranks did not exist in the Chinese Army.

Generals in Those Years Were Still Rather Young [subhead]

When military ranks were conferred in 1955, the Chinese Army had just shifted from a wartime to a peacetime condition. The high-ranking officers in the Army were still rather young. The average age of marshals was above 50. Many generals were in their 40's, although some were even in their 30's. The field and junior officers were all young. On the other hand, the Army had just emerged from a wartime situation and almost all officers at and above the rank of major had combat experience. In the Army there were many famous generals whose deeds and service in the war were remarkable. In the course of conferring military ranks, although there were some disputes as to whether rank was conferred on a person fairly and unfairly, in the main it was not too difficult to follow certain standards in conferring rank on a person according to his seniority, merit, and position. Ranks were conferred rather smoothly.

However, things in 1988 are greatly different, and conferring of rank will be much more complicated.

Two Different Opinions [subhead]

When people began to discuss the restoration of military ranks they encountered an important question: Should military rank also be conferred on retired cadres?

The first opinion holds: These veteran cadres have served the Army through their lives and have made outstanding contributions. They responded to the call from the party central leadership to rejuvenate the Army leading bodies by voluntarily handing the leading posts to younger people. They cherished deep feelings toward the Army and they were unwilling to quit the Army. Therefore, these veteran cadres should be treated in a special way, and military ranks should also be conferred on them. People who hold this opinion are mainly veteran army cadres, some of whom have not yet retired or are still working as "advisers." In particular, those who previously held the rank of general or colonel insist on this opinion most firmly. Over the past 30 years, if the system of military ranks had not been abolished, they might have been promoted to marshal or general. If military ranks are not conferred on them this time, they will never be able to realize their lifetime hopes as career soldiers, and this will become their lifetime sorrow. Obviously, such delicate sensitivities must be taken into careful consideration.

The second opinion holds: Military ranks should only be conferred on active service officers. The fundamental purpose of restoring military ranks is to regularize the Army and to perfect the promotion system. Thus military ranks must be conferred strictly in accordance with the standards. If military ranks are conferred on people merely with the purpose of giving them a certain honor, the standards will not have been correctly followed. If military ranks are also conferred on retired cadres there will be too many people entitled to the ranks of general, and this will simply devalue that rank. More seriously, the purpose of restoring military ranks will not have been achieved; instead, endless trouble will be caused in the future. Therefore, we must proceed from the overall interests of the Army and strictly control the scope of conferring military rank.

These two opinions were locked in stalemate for a long time, and a consensus of opinion could not be achieved. This slowed down the process of restoring military ranks.

Hu Yaobang Asked: "To What Should We Adhere; Principles or the People's Sensibilities?" [subhead]

In 1984, on the eve of the 35th anniversary of the founding of the PRC, the Chinese Army changed its uniform. The new uniforms had epaulets on the shoulders in preparation for the restoration of military ranks. There was also a controversy over whether or not new uniforms should be issued to the retired veteran soldiers.

Veteran soldiers stressed that they had worn army uniforms throughout their lives, and it felt very unnatural to wear civilian garments. The other opinion held that the new uniforms could only be issued to active service officers.

At an enlarged meeting of the Central Military Commission, Hu Yaobang made a special speech on this issue. He said that the Army's modernization, regularization, and rejuvenation is a matter of principle. People can reserve different opinions on the issue of changing army uniforms, but their personal feelings cannot replace the principle. Other leading members of the military commission also supported Hu's opinion. As a result, the new army uniforms were only issued to active service officers. As compensation, retired veteran soldiers could receive a certain amount of money for new clothes.

After the military commission made that decision, some people still "reserved" different opinions. Many veteran soldiers liked to wear their veteran army uniforms (without collar badges and cap insignia) to express their discontent. They also liked to tell people: "This uniform was issued by Chairman Mao."

Military Ranks in Line With China's "National Conditions" [subhead]

The two opinions are both reasonable and weighty, and should both be taken into consideration. Therefore, although the issue of restoring military ranks in the Army was put forward a long time ago, the system has not yet been restored because of a great deal of discussion and comment.

As compared with the military ranks system in 1955, the new system seems not to be so standard. There are three ranks of junior officer but four ranks of field officer and general. The existence of the First General and Senior Colonel ranks seems to distort the overall structure.

However, the design of these two ranks was the result of careful and repeated consideration.

First, in people's minds, "Marshal" is a very high rank which commands great reverence. So only the founders of the state, who had the experience of commanding the entire Army in fighting and winning victories, are entitled to receive this rank. At present, Deng Xiaoping is possibly the only person who is entitled to this supreme rank. Before being tested in a major war, soldiers of the younger generation cannot receive such a special honor. Therefore, in the new system the rank of Marshal is replaced with the rank of First General. First General will be the highest rank that can be conferred on the chairman and vice chairmen of the Central Military

Commission. First General is a special rank name which is different from "5-Star General" in the U.S. Army and "Marshal" in the Soviet Union. So it is a rather original invention.

Second, between Major General and Colonel, the rank of "Senior Colonel" can produce a cushioning effect. The positions between division commander and head of the Defense Ministry and the three general departments can all be held by those with the rank of Major General. However, there are a large number of army cadres in positions as army or division commanders. If they all receive the rank of Major General there will be too many generals and this will not be a good thing. The rank of Senior Colonel can be conferred on many army cadres at the Army and division levels, thus reducing the number of generals.

In addition, the presentation of medals of honor to retired veteran soldiers solves the major issue of their treatment. Although they will not receive military rank, the award of medals of honor will indicate that their meritorious service and contributions are recognized and respected by society, and they can also achieve higher incomes. The affirmation of the military ranks conferred between 1955 and 1964 will also soothe them.

The medals of honor and military ranks will soon be conferred and the new military ranks system will be officially established. Thus, the Chinese military authorities eventually found a solution to this troublesome issue that is acceptable to all quarters concerned.

Strengthening of Military Air Support Planned

HK2005080288 Hong Kong KUANG CHIAO CHING in Chinese No 188, 16 May 88, pp 15-17

[Article by Sung Li-chun (1345 7787 0689): "China Will Accelerate the Building of Fighter Planes and an Aircraft Carrier"]

[Text] China Pays Attention to the Issue of Air Cover [subhead]

On 14 March 1988, the Chinese Navy defeated the Vietnamese with absolute superiority in military strength in the sea area of the Nansha Islands [Spratlys], and then the three Chinese warships immediately made preparations against possible Vietnamese air raids. One of the Chinese warships was a frigate equipped with surface-to-air missiles. On 20 March, a Chinese newspaper published a report by REUTERS NEWS AGENCY, saying that Beijing may try to change the conditions for long-range air cover for warships. This showed that Beijing had noticed the issue of air cover.

Through the conflicts in the Nansha Islands, the Chinese military deeply realized the fact that it still lacked effective air cover for its naval forces. A recent report in China mentioned the activities of China's combat planes over the Nansha Islands. According to this report, on 8 November 1980, China for the first time sent two combat planes to carry out a patrol over the Nansha Islands. At the same time, they also conducted air reconnaissance of the islands. In 1983, the Chinese combat planes once again flew to patrol the Nansha Islands. The report said that these two flights were carried out according to the instructions of the CPC Central Military Commission. After that, China did not openly send military planes to the Nansha Islands area. According to relevant sources, after the conflict on 14 March, no Chinese combat planes were seen over the islands. China did not dispatch military planes to the Nansha Islands, because China did not want to further escalate the scale of the conflict.

The Issue of Military Airports in Hainan [subhead]

The Chinese airport nearest to the Nansha Islands is located on Hainan Island. Over the past year, Hainan has been preparing to establish itself as a province. Before the conflict on 14 March, local civilian leaders in Hainan held talks with the military leaders on many occasions, requesting that the military give up the military airport near Haikou City. If the military airport is turned into a civilian one this will be greatly favorable to the establishment of the province and the opening up of the island. So the military was ready to make the concession. However, after the situation in the Nansha Islands became tense, the Central Military Commission attached more importance to the air forces on Hainan Island, and the Chinese leadership had to decide whether priority should be given to the development of Hainan Island's air transport capacity or to the development of the Air Force strength on the island. The conflict in the Nansha Islands thus became an important factor in maintaining the military airport on Hainan Island.

A Fact That the Hainan Leaders Have Come to Realize [subhead]

Shortly after the conflict in the Nansha Islands, the Seventh NPC officially approved the establishment of Hainan Province. At the same time it was decided that the Xisha and Nansha Islands, together with the large area of sea around these islands, should come under the jurisdiction of Hainan Province. This is of special significance for Hainan's development. The total land area of the Nansha Islands is less than 30 square kilometers, but the area of surrounding sea is nearly 800,000 square kilometers. There are rich oil and gas reserves in this vast sea area. The area of the seabed basin around Zengmu Reef is twice as large as the Zhujiang Mouth Basin, and it is expected that the basic reserves are tens of billions of tons of oil and gas with a total value of hundreds of billions of U.S. dollar. China's present exploration capability is not big enough to independently exploit the oil and gas resources. If Hainan can make use of foreign investment to develop these resources it will really make big profits. It is an ideal plan to build platforms and oil tanks in the Nansha Islands. However, the conflict on 14 March showed the fact that the exploitation of the

treasure in the Nansha Islands must be backed by military forces. This is an important fact that the Hainan leaders have come to realize.

Neither Side Sent Planes To Participate in the Battle for Control Over the Islands and Reefs [subhead]

The Sino-Vietnamese conflict on 14 March 1988 in the Nansha Islands occurred when the two governments were not ready to fight a full-scale war. Neither side sent planes to directly participate in the battle for control over the islands and reefs. The participation by either side's Air Force would obviously change the balance of strength on the battlefield. After the conflict, both sides felt the seriousness of this issue. The Chinese military leaders said that the air military strength is a difficult problem. This shows that the Chinese military leaders are still not satisfied with the combat effectiveness of the Air Force stationed on Hainan Island.

The Vietnamese Air Force now has hundreds of planes provided by the Soviet Union, and some of these combat planes are capable of flying over the Nansha Islands, thus posing a threat to the Chinese warships in this area. If the Vietnamese had retaliated against the Chinese after they were defeated on 14 March, they would have dispatched planes to launch an air raid. Of course, such action would also depend on the attitude of the Soviets, who supply weapons and train pilots for Vietnam. In the 2 weeks following the conflict on 14 March, the Chinese Foreign Ministry issued statements and presented notes, pointing out that the Vietnamese Air Force was stepping up deployment in southern Vietnam, stepping up activities in the Nanshas area, and that the Vietnamese had occupied two reef islands in that area. This showed the concerns and attention of the Chinese Government. On the other hand this also reminded the Gorbachev government, which assumes a peaceful posture, not to give support to the Vietnamese Air Force. However, this problem cannot be solved merely by diplomatic means.

Accelerating the Building of Aircraft Carriers and New Combat Planes [subhead]

After the conflict on 14 March, China realized the importance of strengthening its air military strength in order to recover more islands, or to maintain the status quo. The plan to build an aircraft carrier and import aviation equipment, which was put aside due to financial problems, may be put forward once again. It is said that a senior official of the CPC Central Military Commission expressed concern over the air military strength when the situation in Nansha was tense, and proposed that more advanced planes be imported. However, at the Seventh NPC session a certain official said that it is unlikely that the military expenditure would be increased by a big margin. Thus it is not easy to import military equipment from abroad but the Chinese military leaders are still making efforts in this regard.

Wang Hai Suddenly Visited Pakistan [subhead]

When the situation in Nansha became tense Wang Hai, commander of the Chinese Air Force, visited Pakistan which has advanced F-16 fighters made by the United States. Some foreign observers thought that China might try to purchase advanced planes through a third country and try to solve the Nansha issue before the ceasefire is realized between Cambodia and Vietnam. However, if China had such intentions the Seventh NPC would have changed the military budget.

Secret Talks Between Hainan Provincial Leaders and the Military [subhead]

It is said that during the Seventh NPC session, Hainan Provincial leaders held talks with the responsible people from the relevant military departments. They talked about the Nansha Islands issue. In view of the situation in the Nanshas, the Hainan Government officials perhaps made concessions on their previous requirements, and the military airport would not be turned into civilian airport in the near future. Once the situation in the Nanshas gets worse the civilian government of Hainan Island will have to give a great deal of manpower, material, and financial assistance to the air units on the island. This will certainly affect the development of communications, transportation, and energy supply in Hainan Province. It is believed that the local civilian officials will join hands with the military in solving these problems and cope with the external threats. According to an analysis by a military official: First, the Hainan provincial leaders are cadres who grew up in the war years and cherish deep feelings toward the Army. Liang Xiang was a county party secretary during the Liberation War. He was once surrounded by bandits and was saved by the PLA. Second, the rich oil and gas reserves in the Nanshas needs to be exploited urgently by making use of foreign investment. At present, some Southeast Asian countries have been tapping over 100 million tons of petroleum a year. This makes it very urgent for the military to protect the civilian personnel who build exploration stations in the Nansha Islands. If the civilian authorities on Hainan Island and the military join hands and cooperate they will be able to speed up the building of exploration stations and the process of geological inspection in the Nansha area. This will lay a good foundation for exploiting the oil and gas resources there by making use of foreign investment.

Vietnam is a country which tends to resort to military strength, and the previous facts also show that the Vietnamese would always try to gain more in territorial disputes. After the conflict in the Nanshas, the Chinese military repeatedly stressed the need to strengthen military strength on many occasions. At the Seventh NPC session the naval deputies also repeatedly stressed the significance of making preparations for emergencies and protecting a peaceful and stable environment for the development of Hainan Province, while promising to provide more conveniences for the economic development of the province. At the end of the Seventh NPC

session, new State President and Central Military Commission vice chairman Yang Shangkun said that we will not seize even an inch of land from other countries, and will not allow any foreign country to occupy our territory. This wording was even stronger than that of Li Peng's Government Work Report. This showed that the opinion of the military became more weighty during the NPC session. The military is still going all out to give publicity to the significance of bolstering military strength.

In China's coastal economic development strategy the development of Hainan Island as a province is an important link, but the territorial dispute over the Nansha Islands will not be solved quickly. The proper coordination of Hainan's development and the military's needs will still have to depend on the attitude of the central leadership. China's military expenditure is not pure expenditure because more and more military industrial enterprises have been shifted to civilian production. China has also begun to export military equipment and weapons. However, it is still not easy to solve the financial problems in military affairs. Today, the Nansha issue is different from the Sino-Vietnamese border conflicts which are only of strategic significance. Control over the Nanshas will bring huge economic benefits and will thus affect the economic construction plan following the Seventh NPC session. It seems that economic construction in Hainan Province will be advanced along with the buildup of military strength on the island.

In the future, no matter how economic construction in Hainan Province develops the armed conflict on 14 March gave the Chinese military a more weighty say in the government. The newly elected Chinese Government will decide whether to first develop Hainan's economy or to first strengthen the military forces on the island so as to solve the Nanshas dispute as soon as possible. It is very likely that economic construction and military buildup will be advanced at the same time for a certain period to come in Hainan Province, and this will become the development tendency for Hainan Province under the special conditions.

Qingdao Regiment Forms Representative Committee

HK2005015188 Beijing RENMIN RIBAO in Chinese 16 May 88, p 4

[Report by Jiang Yongwu (5592 3057 2976) and Gao Jianzhong (7559 1696 1813): "A Regiment of the Qingdao Garrison Forms an Armymen Representative Committee"]

[Text] "Forming an soldier representative committee at the regimental level so as to systematize democratization work in the new period is a new creation." This was a view expressed several days ago by the work teams of the PLA General Political Department and the Jinan Military Region after their inspection on the establishment of an soldier representative committee in a regiment of the Qingdao garrison.

After an election by nominating more candidates than posts, the regiment set up a 25-member soldier representative committee in August last year, with soldiers accounting for 72 percent of the members. The soldier representative committee is a mass organization of the regiment. Its main functions are to organize officers and soldiers in their three great democratic activities, to play the role of advisers in Army building, to strengthen ties between officers and soldiers, and to supervise decision-making on major problems in the regiment. The members' term of office is 1 year. Each member is required to write a report every month concerning the suggestions, opinions, and requirements of soldiers and on how officers and soldiers observe discipline and law. The committee holds a meeting every quarter to transmit soldiers' criticism, suggestions, opinions, and requirements to the relevant leaders.

Since its establishment the soldier representative committee has played a positive role in supervising the straightening out of party and Army conduct. The regiment has been cited as the best example in production and management. One day a cadre was entertained to a feast during an inspection tour of a company. A committee member reported this to the regimental headquarters, which subsequently criticized the cadre and instructed him to repay 35 yuan for the wine and food served him. The soldier representative committee takes an active part in every field of work concerning the building of Army units in the regiment. The regiment was building camouflage projects in October last year. According to the original plan, the projects were to be built with cement and rocks. But the committee suggested building them with earth and grass, as it saved money, effort, and time to do so. The regiment accepted the suggestion and carried out the work according to the committee's opinions. The committee also makes appraisals of the cadres promoted, so that the regimental party committee can be more fair in using and promoting cadres. The political instructor of a company did not do well in his work and did not set a good example for others. Many soldiers in this company had much to say about him. The soldier representative committee reported the opinions of the soldiers to the regimental party committee, which, after investigation, demoted him to an assistant political instructor and put him under examination in another company.

International Invention Exhibition Planned

OW2005004188 Beijing XINHUA in English 1116 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA) — The 1988 Beijing International Invention Exhibition will be held in the Beijing Exhibition Hall from October 5 to 13.

The exhibition, sponsored by the China Association of Invention, will present 1,000 inventions from home and abroad, said Zhang Tiezheng, vice president of the association.

Gold, silver, and bronze medals will be granted to outstanding inventions at the exhibition, Zhang said. In addition, the International Patent Right Organization will award three gold medals at the exhibition.

The exhibition will provide an opportunity for technology trading and transfer. China is going to set up a purchase division to buy the new technology and products it needs.

Zhang warmly welcomed foreign entrepreneurs to invest in and order China's inventions, or if they like, to set up agencies to promote them. She also cordially invited Overseas Chinese and inventors from Taiwan, Hong Kong, and Macao to come for the exhibition.

China has a big technology market. Last year, the country's volume of technology business reached 3.3 billion yuan, according to Zhang.

She hoped that this exhibition will promote the exchange and transfer of new inventions among various countries, and also provide an opportunity for foreigners to get acquainted with China's inventions and achievements.

Machinery Exports Hit Record High

HK2005055688 Beijing CHINA DAILY in English 20 May 88 p 2

[By staff reporter Chen Qu]

[Text] China National Machinery Import and Export Corporation is running at top speed in terms of exports compared with other national trading corporations, Wu Yue, an official of the corporation told CHINA DAILY yesterday.

By April 20, the corporation had exported more than $287 million worth of machinery and electrical equipment, 116.9 per cent above that of the same time last year. This year Wu expects a record high total export value of $1 billion, compared with last year's $630 million.

This year's exports are marked by sales of big items, such as complete sets of power station equipment and ships. The corporation expects to export eight to 11 ships this year.

As the country applies an export-oriented development strategy in its coastal areas, the corporation's former branches in these areas are expected to carry out more processing programmes in 1988, Wu said.

He said this year's export target has been ensured by the big increase in the export contract value made by the corporation and its former branch companies at the Guangzhou Trade Fair.

The machinery trading delegation finished the fair with a total export contract value of more than $170 million, 13 per cent more than that of the last spring fair, and nearly double the planned value of $88.88 million.

Of the total transaction value, the two biggest items contracted are industrial and farm implements, and machinery and electrical equipment. The former saw its contract value up by 44 per cent over the last spring fair, and the latter by 34 per cent, Wu said.

Among other items, the sales of complete sets of equipment reached $20 million compared with about $500,000 to $600,000 at past fairs, and technology sales, brought to the fair by the delegation for the first time, achieved a satisfactory total contract value of more than $500,000.

Wu said the items that brought the most enquiries form foreign traders were technology, light industrial machinery and paper production equipment.

New Consortium Formed

OW1905182788 Beijing XINHUA in English 1421 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA) — A consortium of 14 enterprises has been formed to strengthen China's export of mechanical and electrical products and technologies.

The Consortium of Mechanical Engineering and Technology (MET) will deal mainly with turn-key projects, an official said today.

The enterprises involved come from exploration, production, construction, trade, banking, research and design, the official said.

State Council Adopts Regulations on Leases

OW1905144588 Beijing XINHUA in English 1036 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA) — A set of provisional regulations on the leasing of small state-owned industrial enterprises was adopted in principle at an executive meeting of the State Council meeting Wednesday.

The new regulations are designed to encourage the leasing of small state-run enterprises nationwide, and will be officially published as soon as supplements and revisions are completed.

Based on the experience of enterprise leasing as a way to expand the ongoing reform in the last few years, the 40-article document spells out leasing principles, procedures and scope.

Individual articles cover the signing of leasing contracts, income, rights and obligations of both the leaser and leasee, profit distribution, the disposal of debts, and creditor's rights.

Urges Science, Technology Reform

OW1905143488 Beijing XINHUA in English 1133 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA) — The State Council has called for introducing the contract managerial responsibility system as a means of furthering reforms in the fields of science and technology, XINHUA learned today.

In a recent decision, the State Council, China's central government, asked research institutes to vary wages, bonuses and welfare provisions for employees so as to solve common personnel problems such as overstaffing and low efficiency.

According to the decision, in research institutes' ownership will be separated from management and research institutes are encouraged to introduce competitive measures. Managers will be chosen through public biddings. Those institutes which continue to face difficulties will be allowed to turn to other lines of research, merge with other facilities or close down.

Research institutes and enterprises will also be allowed to enter into contract or lease agreements with each other, purchase each other's shares, or merge. They will also be granted more decision-making power in developing international ties and cooperative efforts, as well as keep the increase in export earnings over the next three years for purposes of reinvestment.

The council also called for intensifying efforts in the areas of basic and applied research. Research institutes, institutions of higher learning and enterprises will be encouraged to build common facilities and share personnel.

While carrying out the reform in the state-owned research institutes, assistance will also be provided to collectively-owned and individually-owned entities engaged in work in the fields of science and technology.

Governments at various levels are being asked to increase their investment in science and technology at a rate higher than that of revenue receipts.

New Job Markets Challenge Old Systems

OW1905112688 Beijing XINHUA in English 0829 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA) — The rapid development of China's job markets is challenging the country's existing labor and personnel systems.

A Ministry of Labor survey of 44 job markets in Beijing, Xian, Shenyang and Guiyang showed more than one million individuals have found suitable jobs at the markets over the past three years. Of them 52 percent were surplus rural laborers who have since found jobs in urban areas.

Of the 44 job markets surveyed, some specialize in exchanging technicians, while other find jobs (?as) service personnel and baby sitters.

"These job markets are playing an important role in finding job opportunties for surplus rural laborers, and are making it more convenient for firms to exchange technological personnel," a ministry official said.

"Many job markets are still subject to the existing personnel and labor system, which means they are administered by government labor departments," he pointed out, "and this government control has blocked job market procedures and made the markets less effective."

In some cities, departments of labor and personnel, science commissions, trade unions, women's federations and other mass organizations have sponsored labor and personnel exchange fairs and set up family service enters.

According to the survey, because of too much government control, only 92,000 technicians, or 8.7 percent of those who found suitable jobs at the markets, have been able to change or exchange jobs.

"To accelerate job market development," the official said, "these markets have to be free of government administration."

"Implementation of China's coastal economic development strategy and development of the country's export-oriented economic structure will demand a nationwide labor exchange," he said, "so the existing employment system has to be reformed."

Mentioning the relationship between job markets and the government, the official said, "labor departments have to agree on the supervision and coordination oge country's job markets."

"China's job markets should try to rationally distribute workers among the country's enterprises and promote worker exchange," he added.

Railway Between Nanning and Kunming Planned
OW1905113588 Beijing XINHUA in English 0708 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA) — Today's "INTERNATIONAL BUSINESS" reported that Yunnan, Guizhou and Sichuan provinces, the Tibet Autonomous Region and the city of Chongqing have agreed to jointly invest 500 million yuan in the building of a railway between Nanning and Kunming.

The planned rail line will stretch for 846 kilometers. When completed, it will serve as the main transportation outlet to the sea for Yunnan and the southwestern part of the country.

The State Planning Commission and the Ministry of Railways will also contribute funding toward the railway's construction.

Nationwide Drought Said Alleviated
HK2005055888 Beijing CHINA DAILY in English 20 May 88, p 1

[Text] CD News—A nationwide drought which has seriously affected China's crops in the past few months has now been alleviated in most parts of the country, says the National Meteorological Centre in Beijing.

Significant rainfall in early May has helped the growth of wheat, cotton and other crops as well as pastureland in north China.

And the previously drought-stricken southern areas—particularly parts of Hubei, Jiangxi, Hainan, Sichuan and Yunnan provinces and the Guangxi Zhuang Autonomous Region—have also had rain since early this month, a time when water is badly needed for spring planting.

Some drought-stricken areas in Hunan, Hubei, Jiangxi, and Sichuan provinces have experienced downpours. Since May 11, the total rainfall in some areas has been as much as 9 centimetres.

The heavy rainfall is a blessing for most areas but the southern part of Guangdong Province has suffered great losses as a result of rainstorms on May 13 and 14. About 3,000 hectares of farmland was flooded, bringing rescue teams to the stricken areas.

Also, the situation in Heilongjiang Province, which has suffered from waterlogged fields due to excessive rainfall, shows no sign of improving, a situation which is adversely affecting crops.

East Region

'Roundup' on Fujian Export-Oriented Economy

OW1805232888 Beijing XINHUA in English 1345 GMT 18 May 88

["Roundup: Fujian Gears Up for Export"—XINHUA headline]

[Text] Fuzhou, May (XINHUA)—Building mini-processing zones and processing more customer-supplied materials are helping Fujian expand the province's export-oriented economy.

Nearly 100 mini-processing zones funded with overseas investment and designed for foreign investors are now being built along the main highway between Fuzhou, the provincial capital, and the Xiamen Special Economic Zone.

Since the beginning of this year, Fuzhou has worked out 86 new policies designed to encourage local enterprises to manufacture export commodities, and at present, 10 foreign-funded enterprises in the city are being managed by foreigners who are introducing internationally-accepted practices.

Fuzhou now boasts 13 brokers' offices with 260 brokers, and a duty-free shop opened earlier this year in Fuzhou's economic and technological development zone, which is designed primarily for overseas investors.

Work has started on 10 Sino-foreign joint ventures in Fuzhou which will produce [word indistinct] motorcycles and sports shoes for export, and when completed each is expected to turn out 100 million yuan (27 million U.S. dollars) worth of goods a year.

Earlier this year, hundreds of foreign trade officials from Xiamen, Quanzhou, Changle and Fuqing went to Hong Kong and Macao to market local products.

There contracts [illegible] to set up 100 Sino-foreign joint [words indistinct] customer-supplied materials or parts.

The City of Zhangzhou, the hometown of many Overseas Chinese, will begin building seven small processing zones, 60 export-oriented factories, and 70 export-oriented centers for the production of bananas, prawns and fruit later this year.

Xiamen has opened a customs bureau, a pawn shop and an auction in a bid to make conditions for foreign investment even better.

Special offices to handle all [word indistinct] foreign investors all housed in one building have opened in Fuzhou and neighboring counties.

As a result, less than one week is now necessary to examine and approve a foreign-funded project, compared with several months in the past.

Two special offices to serve foreign-funded enterprises have opened in Putian and Quanzhou, with their main duty to help foreign-funded enterprises solve problems and improve management.

During the next few years, the provincial science and technology commission plans to set up 500 export-oriented associations which will [word indistinct] research with production, and 30 research centers geared to export-oriented agriculture.

Now, hundreds of technicians are working in factories and villages, and the commission also plans to open hi-tech industrial zones in Fuzhou and Xiamen.

According to the provincial governor Wang Zhaoguo, Fujian has pulled in 220 million U.S. dollars in foreign funds during the first four months of this year, or 13.5 times the same 1987 period.

Xiamen Economic Zone Approves Foreign Projects

OW2005094988 Beijing XINHUA in English 0113 GMT 20 May 88

[Text] Beijing, May 20 (XINHUA)—In the first four months of this year, 51 foreign-funded enterprises were approved with a total foreign investment of more than 25 million U.S. dollars in Xiamen, a coastal city in east China's Fujian Province.

The figure has already surpassed that for all of 1987, when only 50 foreign-invested enterprises were created, reported today's "CHINA DAILY".

So far, 346 foreign-backed enterprises have been established in the Xiamen Special Economic Zone (SEZ), involving about 582 million U.S. dollars in foreign capital. About 200 of them have gone into operation.

"Many foreign firms have gone beyond the stage of small, exploratory investments to seek opportunities for large and long-term investment in the city," Deputy Mayor Jiang Ping said.

A growing number of businessmen from a dozen countries and regions such as the United States, France, Australia, Holland, Japan, Canada and Hong Kong have visited the city. Among them are such international giants as IBM, Toshiba and Hitachi.

The projects under discussion include big ones involving television tubes, automobiles, micro-computers and integrated circuits.

Foreign investment began to flow into this "front-line" city just across the strait from Taiwan after 1981, when a 2.5-square-kilometre area was designated as the country's only SEZ outside Guangdong Province.

Foreign investment hit a record high in 1984, when the zone was extended to include the whole city. That year 105 foreign-funded enterprises were approved.

Mayor Zhou Erjun attributed the sharp rebound in foreign investment this year to the city's painstaking efforts in improving infrastructure and ensuring foreign managers full autonomy over management.

The city government has decided to abolish the position of Chinese deputy manager in joint ventures and co-operative enterprises so foreign investors are able to manage their enterprises according to international practice.

The city also allows investors to operate joint ventures, cooperative ventures and even state-owned enterprises under contract.

"The system can bring in advanced managerial expertise to let foreign-funded enterprises operate in the city just as they would in any other place in the world," Zhou said. "It can also help to train Chinese managerial personnel."

"My idea is that when the foreign-funded enterprises are making profits, many more foreign investors will be attracted to invest in the city," he said.

Last year, most of the more than 180 foreign-funded enterprises in the city made good profits. 26 of them have invested 49 million U.S. dollars to expand production.

Mayor Zhou said the city will encourage more wholly-foreign-owned enterprises and more foreign investment to bring innovations to the city's old enterprises.

Shandong's Liang Buting at Commendatory Rally

SK1905121988 Jinan Shandong Provincial Service in Mandarin 2200 GMT 18 May 88

[Text] The second Shandong Provincial rally to commend advanced collectives and persons who distinguished themselves in nationality unity and progress was held ceremoniously at Jinan's Nanjiao Guesthouse on the morning of 18 May. More than 180 advanced collectives and advanced persons of more than 10 nationalities, including Hui, Man, Zhuang, and Chaoxian nationalities, happily got together to discuss ways to develop nationality unity and progress, which is a matter of fundamental importance.

Attending the rally were leading comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and CPPCC Committee, including Liang Buting, Lu Maozeng, Su Yiran, Li Farong, Li Zhen, Xu Sen, Li Chunting, Zhou Zhenxing, and Jin Baozhen. Yang Jingren, vice chairman of the National CPPCC Committee, and Jiang Jiafu, vice minister in charge of the State Nationalities Affairs Commission, made a special trip to attend and extend congratulations to the rally.

Lu Maozeng, deputy secretary of the provincial party committee, delivered a speech at the rally. First he extended warm congratulations to the rally on behalf of the provincial party committee and government. He said: This rally is another grand gathering on nationality unity and progress after 1984. Over the past few years, party organizations and governments at various levels throughout the province have conscientiously implemented the party's various policies on nationalities and respected and safeguarded the legitimate rights and interests of minority nationalities, thus strengthening nationality unity. The political, economic, cultural, and educational undertakings of minority nationalities have witnessed new development and progress, and the people of various nationalities have fully felt the warmth of the big family of nationalities.

Lu Maozeng urged: All localities throughout the province should persistently carry out reform and opening up and accelerate the pace of raising economic and cultural levels of minority nationalities so that their economic and cultural development can catch up with the average level of the province at an early date.

We should further respect the equal rights of minority nationalities and fully arouse the enthusiasm of the people of various nationalities. Cadres of various nationalities should trust, learn from, and closely cooperate with one another and exert concerted efforts to make the people prosperous and to develop Shandong.

We should respect the customs and habits of minority nationalities and conscientiously implement the party's policy on freedom of religious belief so that the masses of minority nationalities will experience the concern shown by the party and the government in various areas and consolidate and develop our province's political stability and unity.

Lu Maozeng stressed: The provincial party committee and government urge the people of various nationalities to further consolidate and develop our province's new socialist relations among nationalities, which is characterized by equality, unity, and mutual assistance; push our province's nationality unity and progress to a new stage; and make new contributions to the development of the Chinese nation.

Suspect Arrested in U.S. Consulate Burglary

OW1905161388 Beijing XINHUA in English 1456 GMT 19 May 88

[Text] Shanghai, May 19 (XINHUA)—Police here have detained a former convicted criminal suspected of burglarizing the U.S. Consulate on four occasions.

A police spokesman said Zhang Ping, who served three years in prison for robbery in 1981-1984, was arrested at 11:45 pm Tuesday as he was trying to sell property stolen from the consulate.

Police said the consulate was burglarized four times between the end of 1986 and beginning of this year.

Last March police came across some of the loot taken and traced it to Zhang, who operates a private transportation business.

"Most of the articles missing from the consulate were verified at his residence and even the cotton-pad shoes which he wore during his criminal activities," the spokesman said.

The American Consul General expressed appreciation for the efficiency showed by police in nabbing the suspect.

Shanghai Company Serves Overseas Purchasers

OW1905181088 Beijing XINHUA in English 1417 GMT 19 May 88

[Text] Shanghai, May 19 (XINHUA)—Shanghai is setting up a company to help people from abroad buy special products, silk, cotton textiles, leather products and traditional Chinese herbal medicines from China's mainland.

The Shanghai International Purchasing Service Company of post and communications is to start up later this month. It will be the first of its kind in China.

The company will also provide consulting services to domestic clients and will introduce new mainland products to overseas customers.

The company is supported by the Shanghai Post and Telecommunications Federation of Overseas and Taiwan Compatriots and is an affiliate of the Shanghai Post and Telecommunications Development Service Company.

Shanghai Sprucing Up Old Residential Area

OW2005092088 Beijing XINHUA in English 0158 GMT 20 May 88

[Text] Shanghai, May 20 (XINHUA)—Chinese and French architects have begun work on sprucing up a residential quarter of Shanghai, China's most populated city.

Jin Qizheng, deputy director of the municipal housing management institute, said this is the first such cooperation between Shanghai and the French state research institute of architecture. The project has been established by the State Science and Technology Commission.

The residential quarter has buildings with a total floor space of 150,000 square meters which can house about 3,000 families.

According to the plan, buildings with special architectural interest will be retained, dilapidated buildings pulled down and others renovated.

The French State Research Institute of Architecture is providing architects, conducting training and offering equipment.

According to Jin, about half of the city's residential quarters need to be renovated. Cooperation with foreign partners may help to speed that process, he said.

Zhejiang Seeks To Attract Scientific Personnel

HK2005060088 Beijing CHINA DAILY in English 20 May 88 p 3

[By staff reporter Li Huahong]

[Text] Hangzhou—The great reservoir of scientific and technological oalent in universities all over China will soon have a major new outlet in Zhejiang Province of Southeast China.

To further develop the province's richest part—the Hangzhou-Jiaxing-Huzhou area, the provincial government has decided to join hands with the State Education Commission to pool personnel and technology from China's colleges.

While the provincial government formally opens the area to the State Education Commission, the latter will organize all interested universities across the land to offer scientific and technological research achievements to this high-tech thirsty area.

These new measures were made during a three-day meeting which ended here on Wednesday.

The first such co-operative effort of its kind, it is expected to be beneficial not only to the area, but also to universities, which are now facing a serious shortage of funds, according to Vice-President Hu Jianyong of Zhejiang University, a chief co-ordinator of the meeting.

University achievements usually end in the form of papers, but the co-operation will change the achievements quickly into economic returns, Hu said.

However, the significance of this new project lies in the huge technological potential of the universities being fully tapped through this outlet, Hu said.

About 30 universities—mainly from Shanghai and Zhejiang and Jiangsu provinces—showed a keen interest in the move, with their presidents expressing willingness to co-operate or talk about projects ready to be offered.

To facilitate things, Zhejiang Province will set up a Hangzhou-Jiaxing-Huzhou Export-Oriented Economy Technology Development Corporation exclusively to provide funds for projects from the universities, Zhejiang Governor Shen Zhulun said at the meeting.

Funds from two other corporations under the provincial Science and Technology Commission and the provincial Planning and Economic Commission also will be available to universities all over the country, he said.

The governor also promised other preferential treatment for the universities, especially those outside the province.

"If the project fills a technological blank in this province, its products will be tax free." he said.

She said that though the Hangzhou-Jiaxing-Huzhou area is relatively rich, its export-oriented economy needs to be backed up by high technology. He cited the example of the province's marble stone production, where production lines have been imported but the products are still unable to compete in the world market because of poor quality. The imported lines need to be improved by the universities' technology to suit practical conditions, he said.

"The technological strengths of the universities spread over the country will become a great power when the State Education Commission puts them together," he said.

Central-South Region

Preparations for Guandong Congress Completed

HK2005035188 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 19 May 88

[Text] Spokesman of the office for making preparations for the sixth provincial CPC Congress Huang Yao held a news briefing this afternoon, announcing that preparations for the Sixth Guangdong Provincial CPC Congress, which is scheduled to be held in Guangzhou on 21 May, have been completed and delegates to the congress have been checking in at the secretariat.

Huang Hao said: The preparations for the sixth provincial Party Congress have been done under the direct leadership of the fifth provincial CPC Committee, which include two aspects: to elect delegates to the congress and draft a report to be delivered at the congress. 793 delegates to the congress have been elected through the practice of holding elections with more candidates than posts. Most delegates have a better educational and political level and recognized ability to discuss official business. The congress will invite some veteran comrades who joined the party before the war of resistance against Japan and assumed the posts above the level of vice governors as its special guests, as well as responsible persons of democratic parties, the Federation of Industry and Commerce, and nonparty patriotic democratic and religious personages as observers.

On behalf of the fifth provincial CPC Committee, Comrade Lin Ruo will deliver a work report, which is a condensation of opinions of all circles and a crystallization of collective wisdom, to the forthcoming sixth provincial Party Congress.

Guangdong Administering Joint Venture Cadres

HK2005060988 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 16 May 88

[Text] Today, the Guangdong provincial people's government released the Regulations of the Guangdong Province for Administration over Chinese Cadres Working for Enterprises with Foreign Shareholders. The term Chinese cadres in the regulations denotes Chinese staff members holding administrative or professional and technical posts in enterprises with foreign shareholders. According to the regulations, Chinese cadres holding the post of chairman of board of directors and the post of director in enterprises with foreign shareholders shall be appointed by the Chinese partner. The system of appointment on a contract basis shall be applied to the employment of all the Chinese cadres holding the posts of general manager, assistant general manager, plant director, deputy plant director, chief engineer, chief accountant, and comptroller, and other posts in enterprises with foreign shareholders. The regulations also contain detailed provisions on the wage standard, insurance, welfare, training, and administration of Chinese cadres, and on the arbitration of disputes arising in the performance of contracts.

Guangdong Cadre Commended for Protecting Secrets

HK2005022388 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 13 May 88

[Text] A certain division of the air force under the Guangzhou military region recently issued a circular to commend (Li Yuguang), head of the political section of a certain station subordinate to the division, and his wife. The couple, though wounded, bravely fought with a ruffian who, holding a knife, tried to steal some classified documents. The division has decided to award (Lu Bilian) a Citation for Merit, Third Class and to recommended (Li Yuguang) for a Citation for Merit, Third Class.

Around 2100 [local time] on 4 March, a ruffian named (Chen Pingbo) called on (Li Yuguang) at his home to borrow the air force unit's movie projector with someone's recommendation. While talking with (Li Yuguang), (Chen Pingbo) suddenly pulled out a knife and threatened (Li) to surrender some classified documents of the air force unit. Seizing an opportunity, (Li Yuguang) pushed away the knife that the ruffian was placing on his throat, and (Lu Bilian) immediately sprang on the ruffian and held him tight. Then, (Li) pushed the ruffian over, pinned him down on the floor, and shouted to order his 7 year-old son to call for help.

His son rushed out of the room and shouted. A staff officer came and helped the couple subdue the ruffian and handed him over to a local police station.

The investigation conducted by the Chenghai county public security bureau shows that the ruffian (Chen Pingbo)'s attempt to steal military secrets by threatening the air force cadre with a knife was a planned and premeditated operation. The three confederates of (Chen Pingbo) have already been arrested.

Guangxi Circular on Nationality Work Issued

HK2005020988 Nanning Guangxi Regional Service in Mandarin 1030 GMT 17 May 88

[Excerpt] The provincial party committee and people's government jointly issued a circular recently, calling on all localities to conscientiously implement the spirit of the national conference to commend outstanding groups and individuals for their contributions to national unity and progress, and to further promote national unity and progress in our region.

The circular pointed out: The national conference to commend outstanding groups and individuals for their contributions to national unity and progress, which was held recently, is of great significance for further consolidating the unification of the motherland, cementing national unity, promoting the cultural and economic development of areas populated by minority groups, accelerating the building of socialist material and spiritual civilization. The circular urged all cadres and the masses of the region to conscientiously study the spirit of the conference, better understand the protracted nature and importance of the nationality issue of our country, raise the level of consciousness in doing nationality work, have a better understanding of the basic guidelines and policies for party and state work on the nationality issue, safeguard the unification of the motherland, uphold equality, unity and the common prosperity of the various nationalities, strengthen the concept of national regional autonomy, and resolutely implement the national regional autonomy law. [passage omitted]

Guangxi, Hong Kong Investment Conflict Resolved

HK1905143588 Beijing ZHONGGUO XINWEN SHE in Chinese 0216 GMT 19 May 88

[Text] Nanning, 19 May (ZHONGGUO XINWEN SHE)—Yesterday, after signing an agreement on cooperative projects with a Hong Kong investor, Zhao Weichen, vice chairman of the Guangxi Autonomous Regional people's government, disclosed to a group of reporters here that the "Guilin Garden Hotel Case," which drew the attention of many people in Hong Kong and Macao, had been satisfactorily settled. Mr Fung Tak-shing, the Hong Kong side's general manager of the hotel, has signed a letter of intent with Guangxi on new projects with an investment totaling $700 million, of which Mr Fung's investment accounts for $600 million.

The Guilin Garden Hotel is a cooperative enterprise run jointly by the Hong Kong China Trade Development Company Ltd and the Guangxi branch of China's Qingnian Travel Service. Mr Fung Tak-shing held a press conference on 6 January this year which revealed the dispute between the two sides to people overseas. This caused repercussions among people in Hong Kong, Macao, and overseas. After 4 months of talks and thanks to the efforts and mediation by the Guangxi and Guilin Governments, representatives from both sides of the garden hotel dispute signed a contract on 15 May. This supplementary contract declared the satisfactory settlement of the "Garden Hotel Case." "No discord, no concord," said top personages from both sides, and added that they will continue to cooperate.

On the second day after the satisfactory settlement of the "Garden Hotel Case," Mr Fung Tak-shing, in the capacity of the general manager of Hong Kong's Kuntin Enterprise Ltd, signed with Guangxi a letter of intent on running a joint steel enterprise in Beihai of Guanxi with a total investment of $700 million and an annual output from 1 to 1.2 million tons. Originally, this steel enterprise was to be built in Zhuhai, remarked Mr Fung. But Guangxi's way of settling the Garden Hotel issue has increased his confidence in its policy of opening up to the world, he added. Therefore he has shifted the investment from Zhuhai to Guangxi.

Hong Kong Bankers Visit Hainan Province

HK2005062788 Haikou Hainan Provincial Service in Mandarin 1000 GMT 17 May 88

[Text] A Hainan investigation and visiting group of Hong Kong banking circles, with Jiro Rokukawa, Director and General Manager, Hong Kong Area, Bank of Tokyo, as the head; and with (Tang Hui-ming), Assistant General Manager, Hong Kong Branch, Kincheng Banking Corporation, as the deputy, which comprises 32 people, arrived in Haikou by plane at noon yesterday to visit our province and to investigate the climate for development, construction and its environment for investment. This group was formed by the Hong Kong Branch of XINHUA NEWS AGENCY and organized by Kincheng Banking Corporation. The majority of the members of the investigation and visiting group are the presidents of Japanese banks in Hong Kong and presidents of local banks.

Yesterday afternoon, (Dao Keming), a responsible person of the Hainan provincial people's government, met and gave a banquet for all members of the investigation and visiting group. After the banquet, responsible persons of the Provincial Economic Cooperation Department, briefed the visitors on the natural resources, environment for investment, and the general situation of Hainan Island. The discussion took place in the Haikou International Finance Building.

Yesterday afternoon, the Hainan investigation group of Hong Kong banking circles visited Hainan Electronics Industry Company and Haikou Textile Printing and Dyeing Mill.

Today, the group will leave Haikou for other places, including Xinglong, Sanya, and Tongza, for the purpose of investigation.

Leaders Visit Hainan Hospital, Health School

HK2005062388 Haikou Hainan Provincial Service in Mandarin 1000 GMT 17 May 88

[Excerpts] Xu Shijie, secretary of the provincial working committee; and Yao Wenxu, deputy secretary, visited Hainan Hospital and Hainan Public Health School. Yesterday morning, Xu Shijie, secretary of the provincial working committee; and Yao Wenxu, deputy secretary, made a special trip to the out-patient department and in-patient department of Hainan People's Hospital and Hainan Public Health School to conduct an inspection. [passage omitted]

In the out-patient department of Hainan Hospital, Secretary Xu and Deputy Secretary Yao went to inspect the situation of the housing and equipment of this medical unit. They also personally went to the home of a doctor, who is both a deputy in charge of the out-patient department of Hainan Hospital and a deputy director of the hospital, to actually find out the housing conditions of an intellectual.

In the in-patient department of Hainan Hospital, Secretary Xu and Deputy Secretary Yao Wenxu listened to a report made by a responsible person of Hainan Hospital on the plan for the development of Hainan Hospital and on the investment budget. They studied some problems together. [passage omitted]

Having listened to the report, Secretary Xu and Deputy Secretary Yao stated their views: I hold that when Hainan is built into a province and large special zone, we must improve the environment for investment. We must [words indistinct] electric power, communications, telecommunications, greening, and press [words indistinct]. This is related to the improvement of the environment for investment. So far as we are concerned, following the improvement of the people's living standard, the number of tourists to Hainan will increase. This will enable us to have a relatively good environment. Hainan has a special geographic environment. Many visitors come here in the winter. The health group of the central authorities has also considered setting up a point in Hainan. Hainan Hospital must, therefore, now grasp the enhancement of its standard, increase equipment, and improve its environment as a special task.

In Hainan Public Health School, Secretary Xu and Deputy Secretary Yao found out the situation in education and inspected the students' dormitory. They asked the school to submit its plan for education as soon as possible so that the school can incorporate the development of the Hainan public health cause in this aspect.

Henan Holds Dryland Agriculture Meeting

HK2005061788 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 16 May 88

[Excerpts] A provincial conference on dryland agriculture sponsored by the provincial government was held in Yuxian county from 13 to 15 May. A guideline and some measures for development of Henan province's dryland agriculture were put forth during the conference. [passage omitted]

At present, some nonirrigated counties and townships are not self-sufficient in grain and are facing difficulties in developing production. People there are living in straitened circumstances. In view of this situation, the conference has set guidelines for the development of dryland agriculture in Henan province. According to which agriculture is to be taken as the basis, soil improvement and irrigation are to be taken as the key tasks, and complex management of the land, water, forest, and grassland resources is to be carried out in order to have an overall development of agriculture, forestry, animal husbandry, sideline production, industry, and commerce. [passage omitted]

The development of dryland agriculture depends on two things, namely, a correct policy and science. The conference demands that all local authorities make further efforts to fix and improve the responsibility systems for contracted management of land, forests, pastoral land, hilly land, and small waters, adopt further relaxed policies, and extend the term of validity of contracts, so as to encourage the peasants to make investments in land and engage in developmental production. At the same time, it is necessary to open more channels to facilitate application of science and technology to dryland farming and the flow of scientific and technological personnel into the field of dryland agriculture. [passage omitted]

Henan To Protect Township, Town Enterprises

HK2005030788 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 15 May 88

[Text] The Henan provincial public security department made a decision a few days ago to vigorously strengthen security protection for township and town enterprises, to sternly crack down on criminal activities against township and town enterprises, to protect these enterprises' legitimate rights, and to help them speed up development.

Recently, after thorough investigations and studies, the provincial public security department found that township and town enterprises in the province have become major targets of attack by lawless people and have suffered from frequent accidents due to their inefficiency in security protection. In this connection, the provincial

public security department in early May distributed a document on the improvement of security protection for enterprises among public security organs at all levels throughout the province. The document asserted: All practices that are favorable to the development of township and town enterprises must be resolutely encouraged and supported while all criminal activities that may hamper the development of township and town enterprises must be checked and penalties be inflicted upon criminal elements according to the law; it is necessary to take the initiative in guiding township and town enterprises in setting up their security protection organizations and in establishing and consolidating their security system; it is necessary to assist township and town enterprises in training security protection personnel and to carry out education in the legal system among them; and it is necessary to promptly examine the implementation of the security protection system, remedy any faults as soon as they are found and thus, prevent any cases or accidents from occurring.

The provincial public security department has demanded that public security organs at all levels resolutely change their indifferent, rude, and backward attitude in all operations concerning security protection for township and town enterprises. And it has also emphasized that no public security organ is allowed to deliberately make things difficult for township and town enterprises.

Hubei Leaders Attend Congress Closing Session

HK2005060588 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 15 May 88

[Excerpts] The First Session of the Seventh Hubei Provincial People's Congress came to a successful close this afternoon in Wuchang. The closing session was held in the (Hongshan) auditorium. [passage omitted]

The session adopted a list of candidates for chairmanship, vice chairmanship, and membership of one commission and three committees under the seventh provincial people's congress. Tian Ying is chairman, and Wang Libin and (Zhu Geng) are vice chairmen of the Legislative Affairs Commission. Li Haizhong is chairman, and (Huang Zhenxia) and (Xiao Quantao) are vice chairmen of the Financial and Economic Committee. Liang Shufen is chairman, and Wang Zhizhuo and (Hu Wenchang) are vice chairmen of the Education, Science, Culture, and Public Health Committee. Wang Hanzhang is chairman and (Wu Weimin) is vice chairman of the Nationalities Committee. [passage omitted]

Amid warm applause Huang Zhizhen, chairman of the provincial people's congress standing committee, delivered the closing speech. [passage omitted]

Seated on the rostrum at today's session were Guan Guangfu, Guo Zhenqian, Zhao Fulin, Qian Yunlu, Zhang Xueqi, Xu Daoqi, Liu Huinong, Li Erzhong, Chen Ming, (Zhang Huainian), Xu Penghang, Han Nanpeng, (Han Hongshu), Shen Yinluo, Lin Shaonan, (Xie Zhi), (Jian Pingtong), and (Wang Shen), responsible comrades from the provincial party committee, the provincial advisory commission, the provincial people's government, the provincial CPPCC committee, and the provincial military district; (Li Qifan), president of the provincial higher people's court, and Zhong Shuqin, chief procurator of the provincial people's procuratorate.

Also attending today's session were Han Ningfu and Xia Shihou, members of the Central Advisory Commission; Li Fuquan, Jiao Dexiu, Zhang Jinxian, Chu Chuanyu, Jiang Yi, and (Shan Yijie), responsible comrades from the sixth provincial people's congress standing committee; and (Yuan Zhaochen) and Rao Xingli, executive chairmen of the presidium of the first session of the seventh provincial people's congress. [passage omitted]

Hubei Governor Addresses Government Conference

HK2005040388 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 17 May 88

[Text] At a work conference of the provincial government offices on 16 May, Governor Guo Zhenqian called on all functionaries to rectify their work style and strive to establish an enlightened, pragmatical and honest government.

He also said: The provincial government should resolutely uphold the basic line set by the 13th CPC National Congress, carry out the spirit of the Seventh NPC and implement all resolutions adopted at the first session of the seventh provincial people's congress. Under the direct leadership of the provincial party committee, we must expedite all fields of work by putting reform at the center of all our undertakings. The government should become more enlightened and should not monopolize work of functional departments. It should follow a pragmatic style of work and should not indulge in impracticable plans and idle talk. At the same time, measures should be taken to strengthen discipline and set up a clear-cut responsibility system so as to raise efficiency in work. The government should further bring its work into the open so as to earn help and support from the masses. Guo Zhenqian stressed: Government functionaries should intensify their sense of party spirit and legality and should be honest and upright so as to strive to build a prosperous Gansu Province in central China.

Vice Governors Xu Penghang, Han Nanpeng and Han Hongshu also attended the meeting and delivered speeches.

Southwest Region

Sichuan Plans Experimental Zone in Deyang

HK2005032188 Chengdu Sichuan Provincial Service in Mandarin 0915 GMT 15 May 88

[Text] The provincial party committee and provincial government have decided to build Deyang as an opening-up experimental zone. Deyang City will become a Shenzhen of Sichuan.

According to a report written by (Liu Fangcai), a reporter of this station, the provincial party committee and provincial government have recently decided to build an opening-up experimental zone in Deyang City. This is the first city of our province which is currently approved to carry out an opening up pilot project. The main implication of the experimental zone is thorough opening up. Good external conventions will be created to address the issues of planned prices, capital and employment systems. Enterprises will be managed according to international conventions.

The provincial party committee and provincial government have demanded that according to the spirit of their decision and in the light of the local realities, Deyang City should formulate a plan, as soon as possible, for building an opening-up experimental zone and submit it to the provincial authorities for discussion, examination, and approval.

It has been learned that to do a good job in the pilot project of building Deyang City opening-up experimental zone, the provincial party committee and provincial government have approved two preferential policies:

1. Deyang City may have the foreign trade and export power. Deyang City Import and Export Corporation, which will soon be established, may directly deal in import and export business with foreign countries.

2. Enterprises in Deyang City may carry out a pilot project of assuming sole responsibility for profits and losses and of advance reform. The number of enterprises carrying out a pilot project is not limited.

Blocked River Causes Concern in Sichuan

OW1905191888 Beijing XINHUA in English 1448 GMT 19 May 88

[Text] Chengdu, May 19 (XINHUA)—A landslide that has blocked a river in Sichuan Province in central China is causing mounting concern to downstream residents.

An official from the provincial anti-flood headquarters said local people on the lower reaches of the Baisha River are busy sandbagging dikes for fear that a dam that was formed across the river in the May 13 landslide might collapse.

At the same time relief agencies are preparing to send in materials such as cereal grain, clothes and vehicles to the stricken area.

A two-km section on the upper reaches of the river has become flooded by the landslide of an estimated [words indistinct] earth and stones.

The reservoir contains about 300,000 cubic meters of water and there are fears there may be a breach.

The official said the landslide has so far caused no casualties but 32 houses have been destroyed, leaving 80 people homeless.

He said people from the Chengdu branch of the Chinese Academy of Sciences, provincial anti-flood headquarters and Daxian County have gone to the area to help protect life and property of the 30,000 residents there.

Tibet's Potala Palace Will Undergo Repairs

HK2005013588 Lhasa Tibet Regional Service in Mandarin 1330 GMT 12 May 88

[Excerpt] At a news briefing held at the Tibet Guesthouse on the evening of 11 May, (Cai Zhengde), chief engineer and group leader of technical survey for maintaining and repairing the Potala Palace, briefed reporters on the initial results of survey of the Palace. He pointed out that the Palace should be repaired without delay. The repairs should be well done and the Palace should keep its original shape and become more substantial than before. [passage omitted]

Yunnan Meeting Discusses Relevant Problems

HK2005063588 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 18 May 88

[Text] On 17 May the Yunnan Provincial CPC Committee Standing Committee held a meeting to discuss major problems raised by deputies to the first session of the seventh provincial People's Congress and members of the first session of the sixth provincial CPPCC Committee.

The provincial party committee Secretary Pu Chaozhu chaired the meeting. Comrades responsible for the departments concerned attended the meeting as observers.

North Region

Beijing Upgrades People's Cultural Standard

SK1905080988 Beijing City Service in Mandarin 1300 GMT 7 May 88

[Text] The data on the municipality in a recent sample census has shown that over the past 5 years, the cultural standard of the municipal population has been upgraded somewhat. In 1987 86.1 percent of the people in the municipality over the age of 6 had the cultural standard at or above elementary school level, a 1.3-percent increase over the 1982 figure. Two-thirds of the municipal population who have received education are at or above the cultural level of junior middle school. The average period of schooling was 8.1 years. Some 7.8 percent of the municipal population has a college cultural standard, a 2.5-percent increase over the 1982 figure. The number of people in 10,000 who have received college education not only surpassed the national average figure but also surpassed that of Shanghai and Tianjin Municipalities.

Beijing Hosts Debate Competition; 150 Attend
OW1905083588 Beijing XINHUA in English 0608 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA)—Beijing's science auditorium, a haunt for noted scientists, yesterday held a debating competition in which young people gave talks on "economy, trade and management", "CHINA YOUTH NEWS" reported today.

Many of the 150 people in attendance gave talks, the paper said. The competition was sponsored by the China Centre for International Economic and Technical Exchange. The competition was open to all people of different backgrounds.

Many of the contestants travelled thousands of kilometers to attend. Those who could not attend submitted papers in advance.

Some bold and fresh views about the export-oriented economy, the contract systems and the reforms were presented, and one expert was quoted as saying that the contest was of "high quality."

Some contestants suggested that such free speech competitions should be held regularly, and themes could be expanded to other spheres of interests.

Beijing Seeks Solution to Traffic Problem
OW2005004588 Beijing XINHUA in English 1215 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA)—The Chinese capital is now caught in serious traffic problems and looking for solutions.

With a 16 percent annual increase in the number of vehicles, 8 times the world's average, and only a 2 to 3 percent increase in road construction, Beijing is increasingly besieged by both over-crowded traffic conditions and a high accident rate.

The city's buses, the most important means of transportation for its 9 million residents and 1 million transients, can manage only 10 kilometers an hour during the rush hours, 6 kilometers slower than its bicycles.

Increasingly, more and more Beijingers are riding bicycles rather than pressing themselves into slow and overcrowded buses. The city has about 7 million bikes, which further strain its limited highways.

In 1986, 729 people were killed in traffic accidents in Beijing, while in Tokyo, which had 13 times as many vehicles, the death toll was 418.

A recent investigation shows that the problem is mainly man-made. Beijing has added 110,000 vehicles in the past 3 years. If each of them is bought at 60,000 yuan (which is still lower than the real price), that means the city has spent a total of 3.6 billion yuan on vehicles, 10 times as much as the city's investment on road construction within the whole Sixth 5-Year Plan (1981-85).

Actually, only one-fifth to one-third of the city's allocation to road construction has been used for this specific purpose, said officials from the Beijing Construction Planning Institute, adding that the lion's share has been used to knock down old houses and move residents.

According to the investigation, every day about one-third of the city's 10,000 taxis are not hired; one-third of its 90,000 trucks running on the street carry no cargo and the 5,000 buses belonging to various administrations and enterprises are utilized only 22.1 percent as much as that of the public buses.

"Most of the city's cross-roads are controlled by its 5,100-strong traffic police force, a system which is too inefficient," said Duan Liren, director of the Beijing Transportation Science Research Institute.

Besides building more highways, Duan suggested the capital should also modernize its traffic control system.

This year, Beijing has doubled its investment on road construction and has already installed two computerized traffic control systems in the East and Central districts.

"We will build 3 similar systems by 1992, which will then cover 400 of the city's major crossroads," the director added.

Duan also suggested that the local government set up a Central Bureau of Motor Vehicles and restrict the drastic increase in the number of bicycles.

Hebei Farmers Contract Urban Enterprises
OW1805155088 Beijing XINHUA in English 1211 GMT 18 May 88

[Text] Beijing, May 18 (XINHUA)—Farmers on the outskirts of Tangshan in Hebei Province have contracted three state-owned enterprises in the city and brought them out of the red, today's "PEOPLE'S DAILY" reported.

The enterprises include an auto transportation company, an electric porcelain factory and the No 3 factory administered by the city's education-through-labor reformatory, which processes castings and other metal parts. All these firms were on the edge of bankruptcy before being contracted out to farmers from nearby Kaiping.

"We brought these enterprises back to life thanks to the reform," said Wang Yongli, secretary of the Kaiping Communist Party Committee.

Skilled workers who had retired from state-owned enterprises and new managerial personnel have been hired to work in these contracted firms, where a responsibility system which links pay with performance has also been introduced.

As a result, the transportation company, which was contracted last November, netted profits of 32,000 yuan (8,650 U.S. dollars) in the first quarter of this year, compared with deficits of 90,000 yuan (24,000 U.S. dollars) during the first 10 months of 1987.

The porcelain factory cut office staff from 28 this March when the contract went into effect to the current 12, and now each shift produces seven tons more products than before.

The No 3 factory, which was operating way below capacity, has also scored higher production figures.

Tianjin's Li Ruihuan Attends Signing Ceremony

OW2005095388 Beijing XINHUA Domestic Service in Chinese 1153 GMT 18 May 88

[By reporter Zhang Shuying]

[Text] Tianjin, 18 May (XINHUA)—A ceremony for the signing of an agreement between Tianjin and Tibet, on the set up of the Gangjin Joint Industrial Company Ltd, was held in Tianjin today.

Present at the ceremony were Ngapoi Ngawang Jigme and Banqen Erdini Qoigyi Gyancan, vice chairmen of the NPC Standing Committee; Li Ruihuan, secretary of the Tianjin Municipal CPC Committee and Mayor of Tianjin; responsible persons of the departments concerned of Tianjin Municipality; and Raidi, deputy secretary of the Tibetan Autonomous Regional CPC Committee.

Economic and technological cooperation between Tibet and Tianjin has been very close since 1983. To further the cooperation, the Gangjian Development Corporation in Tibet and the Economic Cooperation Company and Real Estate Development Group of Tianjin Municipality, with the support of Banqen Erdini Qoigyi Gyancan, will jointly set up the Gangjin Joint Industrial Company Ltd.

Northeast Region

Heilongjiang-Beijing Air Route Established

SK1805082688 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 16 May 88

[Text] Taking off from Qiqihar-(Sanjiazi) Airport at 1305 on 16 May, a Trident plane landed in Beijing 2 hours later. Thus, the air route between Qiqihar and Beijing began service after being suspended for 30 years. This is the second air route linking our province with Beijing, as well as an important air transportation line for Qiqihar City and the whole northwest economic zone. The air route is scheduled for every Monday and Saturday, and its has helped alleviate the strain on Harbin airport's passenger transportation.

It is reported that along with the expansion of the scale of trade service, the Qiqihar airline station will successively open air routes to Shanghai and Guangzhou and increase scheduled flights.

Former Heilongjiang Vice Governor Dies 9 May

SK1805050988 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 17 May 88

[Excerpts] Comrade Liu Qian, an outstanding member of the Communist Party, a faithful communist fighter, former vice governor of Heilongjiang Province, former vice chairman of the fifth provincial People's Congress Standing Committee, and a retired cadre, died of illness in Harbin on 9 May 1988 at the age of 78.

Comrade Liu Qian was born in a peasant family in Changyi County, Shandong Province, in 1910. He joined the revolution in February 1938 and was recruited into the Communist Party the same year. [passage omitted]

A ceremony to pay last respects to the remains of Comrade Liu Qian was held at the Xiangyangshan Cemetery for Revolutionary Martyrs in Harbin City on the morning of 17 May.

Jilin Vice Governor Discusses Economic Situation

SK2005074288 Changchun Jilin Provincial Service in Mandarin 2100 GMT 18 May 88

[Text] On the afternoon of 18 May, the propaganda department under the provincial party committee, the party committees of the subordinate organs of the provincial party committee and the provincial people's government, sponsored a meeting of cadres. At this meeting, Vice Governor Gao Wen delivered a speech on the issues of commodity prices and the economic situation.

In his speech, Comrade Gao Wen stated: In line with the instructions of the State Council, the provincial people's government recently made arrangements for changes in retail prices of major nonstaple foodstuffs such as meat, vegetables, sugar, and soybean by-products. According to the plan for providing adequate fixed-quota subsidies to staff members and workers, various localities have immediately implemented the arrangements since roughly 10 May. Generally speaking, markets throughout the province have been relatively stable since these important arrangements for price reforms were issued, and society has remained peaceful. The implementation of these arrangements has gone smoothly.

However, the masses still have some comments and there are still some matters they do not clearly understand. This is because we have not sufficiently publicized these arrangements and because we still have some

problems in our work. It is normal for us to encounter such a phenomenon. Therefore, the instructions of the central authorities should be publicized effectively.

In referring to the current economic situation in his speech, Comrade Gao Wen pointed out: Commodity prices are one of the (?composite sectors) of the national economy. In readjusting commodity prices, it is inevitable that we analyze the economic situation as a whole. According to estimates, the province's national economy will continue to develop in a stable manner, and the situation as a whole will be very satisfactory. Since spring, [persons in] the province's vast rural areas have readjusted the agricultural structure and have increased the sowed acreage of rice, soybeans, and cash crops by continuously implementing the principle of stabilizing grain production and accelerating the development of a diversified economy. They have also brought about a new change in the production of hogs and poultry.

Industrial production has been also accelerated and economic results are improving. The product structure of foodstuffs is being improved and the output of fine-quality and export products has also increased. Both urban and rural markets throughout the province are experiencing brisk buying and selling, and the situation for financial and monetary affairs is better than it was in 1987.

However, there are still problems which merit our attention. They are as follows:

1. Peasants still have some surplus grain which cannot presently be sold . Such a problem should be dealt with urgently.

2. The number of industrial enterprises which have suffered losses has increased.

3. Price levels have increased.

In referring in his speech to the importance of price reforms in the course of economic development, Comrade Gao Wen stated: Since the 3d Plenary Session of the 11th CPC Central Committee, our country has carried out a series of important reforms in the old price system and of the price management system. These reforms have promoted industrial and agricultural production as well as developing the national economy as a whole. Price reforms have enlivened commodity circulation, readjusted both supply and demand, enriched market supplies, and made things convenient for the masses. In carrying out price reforms, we should alter our former ideas about involving ourselves in the product economy and instituting price freezes; foster the idea of a commodity economy; and actively and resolutely respect the law of prices.

During the 18 May meeting, Comrade Gao Wen also referred in his speech to the issues of creating conditions for expanding price reforms and for integrating price reforms with the readjustment of revenue policies.

Liaoning Officials on Enlivening Enterprises

SK1905075588 Shenyang LIAONING RIBAO in Chinese 30 Apr 88, p 1

[Excerpt] We look to the large and medium-sized enterprises in the hope that they will become main forces as well as play a key exemplary role in opening Liaodong Peninsula to the outside world. This was stressed by leading Comrades Quan Shuren, Li Changchun, Wang Guangzhong, Shen Xianhui, and Wen Shizhen in their speeches at the provincial meeting on 28 April. The theme of their speeches was to suggest ways and means for enlivening large and medium-sized enterprises.

Leading comrades, including Quan Shuren and Li Changchun, pointed out in their speeches: Large and medium-sized enterprises should have a sense of urgency, a sense of crisis, a sense of mission, and a feeling of being unable to sit still while participating in international market competition. Opening to the outside world is a good thing, as well as a difficult task. Currently, our large and medium-sized enterprises are not sensitive to three questions. First, because of the long-term yoke of mandatory planning, they are not sensitive to market information. Second, they are not sensitive to scientific and technological information and lack a sense of urgency for relying on science and technology to develop productive forces. Third, they are not sensitive to skilled persons. Not only do they lack the courage and insight to bring in skilled persons with high payments, but they also fail to fully use the functions of existing skilled persons.

Leading comrades, including Quan Shuren and Li Changchun, said: The great international economic cycle only brings a few opportunities to us. If we fail to grasp the opportunities in the first 2 years, none will come again. So far, our province has signed contracts on building only 200 "three-capital" enterprises, while Guangdong has more than 4,000 enterprises of this kind. This does not reflect Liaoning's strength. Last year our province created only 1.22 billion yuan in foreign exchange through exports. However, the exports of machinery and electronic products with Liaoning's advantages only amounted to a small proportion. This does not reflect Liaoning's output value, which totals more than 90 billion yuan. Therefore, we must adopt resolute measures to rouse ourselves to promote exports. First, we should study and assimilate relevant policies. Based on this, we are allowed to adopt flexible measures for implementing the policies. Our mode of thinking must be changed. While implementing policies, the Cantonese people think about which things must not be done; but the people in Liaoning often think about which things are permitted. We dare to do only those things that have been put forward in documents. From now on, we must foster the idea of daring to do all things that are conducive to the development of productive forces and fully and flexibly implement the policies. Second, it is necessary to run enterprise groups and develop lateral cooperation. Through developing enterprise groups, we should participate in competition. Third, we should make breakthroughs in carrying

out the "one plant, two ownerships" system and developing "three-capital" enterprises. We should strive to ensure that all large and medium-sized enterprises have export products, bring in foreign investment and have developed foreign economic relations and trade within 1 year. [passage omitted]

Northwest Region

Li Ziqi Presides Over Gansu CPC Meeting

HK1905140688 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 13 May 88

[Text] On the afternoon of the day before yesterday [12 May], the provincial party committee held a Standing Committee meeting, which examined and discussed the work and duties of the Gansu Provincial CPC Committee, rules of procedure of the plenary session of the Gansu Provincial CPC Committee, rules of the work of the Gansu Provincial CPC Committee Standing Standing Committee, rules of the Gansu Provincial CPC Committee secretary work conference and agreed that they be enforced after further revision.

The meeting discussed and agreed in principle the report of the provincial federation of trade unions on holding a Gansu provincial rally of model workers and on commending model workers and model units. The meeting appealed to the staff members and workers on all fronts throughout the province to use reform to guide the overall situation, to struggle hard with one heart and one mind, and to greet with outstanding achievements the provincial rally of model workers which will be held at the end of this year.

Provincial party committee secretary Li Ziqi presided over the meeting.

Speaks at Technology Rally

HK1905133688 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 13 Mzy 88

[Excerpts] A 5-day provincial rally on science, technology, and education concluded in Lanzhou yesterday [13 May] afternoon after completing all scheduled tasks. Governor Jia Zhijie presided over yesterday afternoon's rally.

On behalf of the provincial party committee, provincial party committee secretary Li Ziqi conveyed his congratulations to the rally on its success. [passage omitted]

Li Ziqi said: While science and technology are moving ahead by leaps and bounds today, economic invigoration and social progress are in more need of science and technology. Particularly in a poor and backward province like our province, we must link casting off poverty with casting off ignorance. To cast off poverty, we must develop the economy. To cast of ignorance, we must develop the scientific, technological, and education causes and enhance the scientific and cultural standards of the people of all nationalities throughout our province. Tht development of the economy and the development of the education cause are the two wings to invigorate Gansu and neither of them can be dispensed with. Only when the two wings fly together, modernization in our province can be promoted.

Li Ziqi pointed out: Many places of our province abound in resources but its scientific and technological level is relatively low. It is very difficult to give play to the strong points of the economy. However, the natural resources of some places along the coasts are not as rich as ours but their scientific and technological level is high and the quality of their labor forces good. Therefore, their economy has developed and they are rich. From this, we can see that the scientific, technological, and education causes occupy an important position in the development of the economy as a whole.

Li Ziqi emphatically added: To develop the scientific, technological, and education causes, we must adhere to the policy that the state, collectives, and individuals must work hard together. We must advocate and encourage the development of the collective-run, jointly-run, and individual-run private organizations; go in for more short, general, and quick projects; especially and vigorously organize forces to carry out the spark plan, bumper harvest plan, and prairie blazing plan; and contribute toward the achievement of the short-term target of struggle for solving the problems of clothing and food in 3 years.

At the closing ceremony, Vice Governor Liu Shu read the commendatory and reward decision of the provincial party committee and provincial government. [passage omitted]

Attends Management Work Meeting

HK2005025188 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 14 May 88

[Excerpts] Since the beginning of this year, our province's comprehensive implementation of the contracted management responsibility system has made some progress and achieved relatively good results. To further promote the province's comprehensive contracted management work, the provincial party committee and the provincial people's government yesterday [14 May] held a meeting of responsible comrades from relevant provincial, prefectural, and county departments to make arrangements for the next stage in contracted management work.

The meeting was presided over by Jia Zhijie, governor of the provincial people's government. Zhang Wule, vice governor of the provincial people's government, addressed the meeting. Leading Comrades Li Ziqi, Xu Feiqing, and Lu Kejian attended the meeting. [passage omitted]

In his speech at the meeting, Vice Governor Zhang Wule noted: In introducing competitive mechanisms into our work, we must pluck up courage, stop stressing stability

under the pretense of avoiding chaos, and fear neither failure nor departing from the norm. However, in carrying out concrete work, we must stress and strive for actual effects and substantial results in a down-to-earth manner. Leaders at all levels must exert all their strength to promote contracted management work, and adopt preferential policies to mobilize and encourage large numbers of scientific and technical personnel as well as party and government cadres to take on contracted enterprise management work. [passage omitted]

Stresses Investigations, Study

HK2005023988 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 14 May 88

[Excerpt] In his speech at a provincial meeting of teaching and research section chiefs held yesterday [14 May] afternoon, Li Ziqi, secretary of the provincial party committee, said: From now on, cadres at all levels throughout the province must energetically encourage the practice of conducting investigations and studies, do an even better job of finding out the regular patterns of economic and social developments in Gansu, increase the level of consciousness in their work, and reduce blindness in their work.

Li Ziqi added: Party committees at all levels must fully understand the importance of strengthening investigations and studies, suit the needs of the new situation of reform and opening up, further improve the standards of their investigations and studies, and creatively implement the party's line, guiding principles, and policies on the basis of their investigations and studies. [passage omitted]

Lanzhou To Set Up High Technology Area

OW1905103888 Beijing XINHUA in English 0646 GMT 19 May 88

[Text] Beijing, May 19 (XINHUA)—Lanzhou, a city in Gansu Province with a high concentration of technical workers, is to designate the Ningwo Zhuang district a science and technology area, today's overseas edition of the "PEOPLE'S DAILY" reported.

Like Beijing's Zhongguan Chun Market, it will become a center for disseminating information, launching technological exploration projects, and engaging in production and management, a government official is quoted as saying.

The new hi-tech area will concentrate on such fields as biotechnology, the processing of herbs and electronic equipment.

The market will rely on non-government sources of finance but will benefit from preferential government tax policies, the official is quoted as saying.

Lanzhou has 178 technicians for every 10,000 people. There is also a high concentration of research institutes and universities.

Ningxia Takes Measures To Extinguish Coal Fire

OW2005070288 Beijing XINHUA Domestic Service in Chinese 1251 GMT 17 May 88

[By Reporters Qin Fengtong and Wang Dao]

[Text] Yinchuan, 17 May (XINHUA) — The Ningxia Hui Autonomous Regional People's Government held an on-the-spot meeting at the Rujigou Coal Mine to adopt effective measures to put out a fire at Daxi by cutting off the air and suffocating the fire in order to save the precious coal resources there.

The fire in the Daxi Coal Shaft in the Yili area of the Ningxia's Rujigou Coal Mine has lasted for more than a year. Press reports on the fire have caused wide public concern and attracted the close attention of leading comrades in the Ningxi Hui Autonomous Region. Leading comrades of the regional people's government, the regional party committee, the regional People's Congress, the regional advisory commission, and relevant departments went to the scene to acquaint themselves with the fire on 16 May and discussed measures for putting out the fire with coal scientists and technicians.

Bai Lichen, chairman of the regional government, pointed out: Further efforts should be made to carry out the regional government's fire-fighting plans — to fill up all crevices in the ground over the fire, build a wall in the shaft to suffocate it, and pour muddy water into the places already mined in order to isolate the fire and prevent its spread. All mining districts should immediately organize fire brigades, which should be responsible for investigating the conditions of small coal mines and shafts, as well as possible fires. It is strictly forbidden to warm oneself by fire on a coal bed. All small coal mines located in a fire area should be promptly closed.

The meeting decided that no new coal shaft would be allowed to be opened up in Rujigou's Daxi coal mining area. Coal shafts which have been mined without authorization should be closed within a set time. Coal mines and shafts which meet mining requirements should retain money as their fire fighting funds according to their output.

At the meeting, Feng Mao, vice chairman of the regional people's congress Standing Committee, said: Press reports on the fire in Rujigou has also caused strong repercussions in the autonomous region, which have played a positive role in prompting us to be determined to put out the fire. Thus, we should welcome supervision from public opinion.

North China Dry Crops Symposium Ends in Xian

HK1905100788 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 14 May 88

[Ecxerpt] How shall we develop agriculture in the dry areas accounting for 38 percent of the nation's cultivated land? The symposium on the agricultural problems of dry crops in North China, which ended yesterday [14 May], held that the key lies in grasping the natural law in the dry areas, improving the basic production conditions, popularizing the dry crops agricultural techniques, and taking the road of comprehensive development, with agriculture as the main content and integrating agriculture with animal husbandry.

The representatives from nine provinces and regions in North China and the experts concerned fully affirmed the agricultural experiences in and the technical measures for growing dry crops in Shaanxi, Shanxi, and Gansu provinces. These experiences principally include: Improve the basic production conditions of dry crops, effectively absorb and store rainwater, use water to determine the use of fertilizer, use fertilizer to regulate the use of water, and integrate water with fertilizer in order to promote grain production; on the basis of steadily increased grain output, develop industrial crops, leguminous plants, and forage grass in order to promote the benign cycle of ecology and economy; and develop diversified undertakings, such as agriculture, animal husbandry, forest trees, and fruits, in order to increase the income of peasants and to further promote the rural economic development in the dry areas. [passage omitted]

Scientific Farming Makes Shaanxi Land Profitable

OW1805203188 Beijing XINHUA in English 0702 GMT 18 May 88

[Text] Beijing, May 18 (XINHUA)—Scientific farming has helped 23 counties in central Shaanxi Province, one of China's poor areas, produce more grain, today's "PEOPLE'S DAILY" reported.

Techniques tried out there are being introduced in arid and semi-arid areas on the loess plateau, which encompasses parts of Shaanxi, Shanxi, Gansu and Qinhai Provinces and the Ningxia Hui and Inner Mongolia Autonomous Regions.

The techniques involve use of fertilizer to extend the root systems for more water. In this way, famrers in these counties can reap an additional 250 million kg of grain.

In 1981, the Shaanxi provincial authorities decided to develop these 23 counties, also known as the Weibei P[illegible], [illegible] wheat producer with forestry and livestock as aid[illegible].

Since then, over 200 college professors, technicians and agricultural experts have been sent to work on the plain, and ten comprehensive scientific pilot bases set up.

In addition, the provincial government has built a crop research institute on the plain.

Former Vice Premier Wu Guixian Profiled

HK1905101788 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 14 May 88

[Excerpts] In its issue No 5 this year, GONGCHANDANGREN [COMMUNISTS] journal carries a long newsletter, entitled "Today's Wu Guixian," introducing Wu's conditions at great length. We now give excerpts of the newsletter.

Wu Guixian has followed with absolute sincerity the footprints of Zhao Mengtao, delegate to the Eighth Party Congress and national model worker. The party and the people have given her high honor. During the Cultural Revolution, like many other people, she was engulfed by the tide and was turned, as if in a dream, from an ordinary textile worker into a vice premier of the State Council, moving from the bank of the Wei He to Zhongnanhai.

After the 11th party congress, as if relieved from a heavy burden, she returned to the her former enthusiastic ranks. Wu Guixian is now deputy secretary of the CPC Committee of the State No 1 Northwest China Cotton Mill, mainly in charge of the organization cadre department and the people's armed forces department. Her duty is to do a good job of the ideological education of party cadres and help the plant director to carry out well the enterprise reform and the building of the two civilizations.

In recent years, to transform the old machines of the State No 1 Cotton Mill and purchase textile machines, Wu Guixian has been busy rushing about in Beijing, Tianjin, Taiyuan, Qingdao, and other places. To develop lateral association, she also accompanied the plant director to Shenzhen, Zhuhai, and Haikou to study and make an inspection. [passage omitted]

Wu Guixian has a happy family. Her husband, a senior engineer, works at ministry-affiliated research institute in Xianyang. She has a son and a daughter, who are both studying at a senior middle school. Her children study hard and conscientiously and have bee[illegible] cited as five-good students on many occasions. Wu Guixian is also a dutiful wife and a loving mother. After returning from work, she does all kinds of housework, such as giving the fire a poke, cooking, and washing clothes. [passage omitted]

Wu Guixian said: After the 11th party congress, many old comrades returned to w[illegible]k. I deemed it inappropriate for me to stay at the [illegible]entral government and so I submitted a report, asking for permission to return to the State No 1 Cotton Mill. I have an affection for the No 1 Cotton Mill and I have struck root among the workers. At that time, I did not dream that I could become a vice premier. It was the tide that had pushed me to that

position. We are also victims of the Cultural Revolution. But this is all past and gone. Soon I shall be 50. To do my bit for the rejuvenation and development of the No 1 Cotton Mill in the remainder of my life is my greatest happiness. [passage omitted]

Now she goes to work 15 minutes ahead of time. She also often goes to workshops to solve problems and take part in all kinds of social activities.

Recently, Wu Guixian has again attended the Seventh Shaanxi Provincial CPC Congress as a representative of the textile department and its affiliated organizations. [passage omitted]

Xinjiang Leader Calls for Good Literary Works

HK2005063188 Urumqi Xinjiang Regional Service in Mandarin 2210 GMT 17 May 88

[Text] The Regional People's Government Chairman Tomur Dawamat recently stressed the need to emancipate the mind and continuous efforts to reform the literature and art structure and to introduce the competition mechanism into cultural and literature and art work so as to greet the 40th anniversary of the national day with more good-quality literary and art works.

Xinjiang Holds Science, Technology Forum

HK2005021388 Urumqi Xinjiang Regional Service in Mandarin 2210 GMT 14 May 88

[Text] At a forum on Xinjiang's strategy and planning for science and technology which concluded not long ago, regional vice chairman Huang Baozhang proposed: Our region has conditions and ability to take part in the great international circle.

Huang Baozhang said: The great international circle is not only a good opportunity for the provinces and regions along the coasts to develop their economy but also a good chance for our region's economy to take off. In any case, our region cannot miss this chance.

Tian Jiyun on Importing of Three Principles

OW2005093588 Beijing in Mandarin to Taiwan 1500 GMT 13 May 88

[Text] According to a report filed by our station reporter from Washington D.C., China's Vice Premier Tian Jiyun delivered a speech on 12 May at a luncheon hosted by the National Council for U.S.-China Trade in which he expressed his views on Sino-U.S. trade and economic and technical cooperation. Tian Jiyun said: Sino-U.S. trade and economic and technical cooperation have shown a fairly big development. The annual Sino-U.S. trade volume rose to $7.8 billion last year. Of the direct investment in China by foreign businessmen, that by the American business community is largest. However, some obstacles remain in Sino-U.S. economic relations that we must overcome. The most prominent problem has been the increasingly tightened U.S. restrictions on imports from China. This has adversely affected the further expansion of bilateral trade. Tian Jiyun said: Another major problem in Sino-U.S. trade is the U.S. restrictions on high technology transfer to China. This is harmful to the development of Sino-U.S. trade and economic relations and makes it difficult for the United States itself to have a competitive edge in exporting high technology to China.

In conclusion, Vice Premier Tian said: To attract more foreign businessmen to invest in China and to run enterprises is a major task in China's policy of opening to the outside world. We welcome more U.S. entrepreneurs to run enterprises in China.

After his speech, Vice Premier Tian answered questions. In answering a question concerning the impact on the two sides of the Taiwan Strait of any future change of leadership in Taiwan, Tian Jiyun said: It is hoped that the change of leadership in Taiwan will be conducive to accelerating the process of reunification of the motherland. He praised the Taiwan authorities for permitting ordinary government employees to visit their relatives on the mainland, and expressed the hope that the leaders in Taiwan will open even wider by allowing the government officials on both sides of the Strait to exchange visits. He said: We are not afraid of the people in Taiwan bringing San Min Zhu Yi [three principles] to the mainland. Taiwan also need not be afraid of the people on the mainland bringing socialism to Taiwan. To increase personnel contacts will not change the social system. Taiwan and the mainland may still follow their own paths.

Taipei Court To Interrogate Hijackers

HK1805140988 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1435 GMT 16 May 88

[Text] Hong Kong 16 May (ZHONGGUO TONGXUN SHE)—Taipei sources say that the Taipei City Procuratorate has decided to open a court session within the week, to interrogate Zhang Qingguo [1728 1987 0948] and Long Guiyun [7893 6311 0061], the two young mainlanders who recently highjacked an airliner to Taiwan. The court will investigate whether or not their action that day constituted a crime and decide whether or not they will be prosecuted and on what charge.

On the evening of 12 May, Zhang and Long hijacked a CAAC [Civil Aviation Administration of China] airliner, which landed in Taichung. After they were allowed to stay in Taiwan, the Taiwan Garrison Headquarters promptly sent a letter containing the relevant data about the two persons in question to the Taipei City Procuratorate, indicating that the case involved "violation of the civil aviation pact." As soon as the Taipei City Procuratorate First Prosecuting Attorney Liu Ching-yi [0491 2529 5030] learned about the case, he appointed attorney Hsu Wen-liang [6079 2426 0081] in charge of the case, and instructed him "to take all-round consideration of both the law and reasonable and human feelings, and to show leniency in handling it." Liu Ching-yi stated that the case should not be viewed from a purely legal angle, but be dealt in line with and compatible to the law, so that public opinion both at home and abroad may be satisfied.

Mainland Journalist's Wish To Visit Rejected

HK1205055588 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1410 GMT 11 May 88

[Report: "Taiwan Official Says, Taiwan Now Does Not Have the Laws and Regulations to Allow Mainland Reporters to Visit Taiwan"]

[Text] Hong Kong, 11 May (ZHONGGUO TONGXUN SHE)—According to a report from Taipei, a Taiwan official said that Taiwan does not currently allow mainland reporters to visit Taiwan, so it is impossible to receive mainland journalists. This statement was made in response to the inquiry about XINHUA Washington Branch Director Li Yanning's hope to cover news in Taiwan.

Recently, during the coverage activities in Puerto Rico organized by the USIS [U.S. Information Service], Li Yanning and Chang Chi-ping, WEN WEI PO resident correspondents in New York, expressed their desire to Fu Yi-chieh, a resident correspondent in New York for the American and Canadian News Center of Taiwan's LIEN HO PAO [UNITED DAILY NEWS], to visit Taiwan and cover news there.

A LIEN HO PAO reporter in Taipei yesterday asked a "senior official of the government department concerned" about this affair, and the official said that the Taiwan authorities only promulgated the policy for allowing Taiwan residents to visit their relatives on the mainland, and there is no policy for exchanges of coverage and cultural activities. There is no relevant law and policy for receiving the XINHUA personnel in Taiwan.

Paper Expects Taiwan-Mainland Trade To Double

OW1605162488 Beijing XINHUA in English 1107 GMT 16 May 88

[Text] Hong Kong, May 16 (XINHUA)—Trade between Chinese mainland and Taiwan could double this year and Hong Kong will feel the benefit, "SOUTH CHINA MORNING POST" reported today.

According to David O'Rear of Consultant Business International, Hong Kong handles 60 percent to 80 percent of Chinese Mainland-Taiwan trade.

During the first two months of this year, 1.87 billion Hong Kong dollars worth of goods made in Taiwan were shipped into the mainland via Hong Kong, representing a 62 percent increase over the same period in 1987.

On same basis of comparison, the value of goods from the mainland bound for Taiwan also rose 62 percent to hit 463 million Hong Kong dollars.

In addition to Hong Kong, other major channels for mainland-Taiwan trade are Japan and Singapore.

O'Rear said there was a realisation in Taiwan that for strategic purposes it was beneficial to trade more with the mainland, especially given the problems being caused for Taiwan as a result of its dependence upon the U.S. market.

Taiwan's exports to Europe and the U.S. Were also being squeezed because of the appreciation in value of the new Taiwan dollar, which was making Taiwan products more expensive.

O'Rear also pointed out that Taiwan could import raw materials cheaply from the mainland.

Court Gives PRC Hijackers 'Conditional Release'

HK1905143088 Hong Kong AFP in English
1413 GMT 19 May 88

[Text] Taipei, May 19 (AFP)—Two Chinese men who hijacked a commercial airliner from the mainland to Taiwan last week appeared in court here Thursday and were given a conditional release.

Chang Ching-kuo, a 26-year-old torpedo technician, and Lung Kuei-yun, a 27-year-old steelworker, hijacked a Civil Aviation Administration of China (CAAC) Boeing 737 to a central Taiwan military air base on May 12.

They were released into the custody of the Free China Relief Association, a government-backed organisation set up to provide assistance to defectors from the mainland, after the hearing Thursday in Taipei District Court.

One of the conditions of their release was that they would appear in court if such a request is made.

It was not immediately clear after the hearing whether the pair could still face prosecution for hijacking.

Taiwan law provides for life imprisonment or death for people convicted of hijacking an aircraft with violence. The maximum penalty for endangering safety in the air through force, theats or other means is seven years in jail.

The prosecutor who handled their cases and the two hijackers left the court by a back door to avoid questions from reporters and photographers. The two hijackers were accompanied by three lawyers.

One of their lawyers told reporters after the hearing that "based on their reports to the prosecutor, we believe that the diversion of the commercial jetliner to Taiwan was completed peacefully."

"The process could not have constituted criminal behavior," lawyer Sun Hsing-chu said.

"They told the prosecutor that they are here to seek true freedom," she said. "They also told the prosecutor that while on the jetliner, they knocked lightly on the cabin and the door opened immediately.

"They said they didn't use a toy pistol and fake explosives to threaten the crewmembers or the pilot," the lawyer said.

"They said that the CAAC pilot agreed to the two hijackers' demand to divert the plane to Taiwan as they promised that they wouldn't blow up the plane and hurt any passengers," she added.

The aircraft, its 11 crewmembers and other 105 passengers were allowed to take off for China five hours and 20 minutes after it landed in Taiwan.

Taiwan immediately granted political asylum to the two hijackers.

Hijackers Appear at Hearing

OW2005053188 Taipei CNA in English
0443 GMT 20 May 88

[Text] Taipei, May 20 (CNA)—Taipei district prosecutor Hsu Wen-liang Thursday held the first investigative hearing on two mainland Chinese young men who took over the Chinese communist passenger airliner Boeing 737 on May 12.

The hearing was held behind closed doors of the district court building, with the young men's lawyers present during the questioning.

Chang Ching-kuo and Lung Kuei-yun, both 26 and formerly workers at a factory in Kunming, Yunnan Province on the mainland, reported to the prosecutor Thursday afternoon. They were accompanied by three lawyers, Sun Hsing-chu, Li Nien-tsu and Liu Shu-cheng, who are defending them for free.

The two were questioned in separate two-hour sessions.

Chang and Lung smiled and waved to reporters as they left the interrogation room. They didn't say anything except that it was good to be in a country that is free.

According to lawyer Sun, each was questioned in detail on how they had come to know each other and how they had planned and pulled off the hijacking.

Sun said Chang and Lung had become acquainted while serving in the army, and after their discharge, they were assigned to the same factory.

She said they said they hated the communist regime that oppressed people and gave no justice and no freedom. They decided to seek freedom on Taiwan, Sun quoted them as telling the prosecutor.

Sun said the hijackers had had the idea of fleeing six years ago, but they didn't plan it in earnest until three years ago.

According to Sun, earlier this month, the two took a train from Kunming to Amoy, where they thought they could take a plane and divert it to Taiwan. She said they boarded the CAAC [Civil Aviation Administration of China] Boeing 737 on the evening of May 12, which was scheduled to fly from Amoy in Fukien to Canton in Kwangtung. They carried a toy pistol and a bottle of shampoo, which was disguised as a grenade, complete with pin.

The plane took off at about 8 p.m. After being airborne for about 20 minutes, Sun said, the two burst in on the cockpit and told the pilot to turn 140 degrees southeast

and head for Taiwan. The pilot had said he could go to Hong Kong and put them down there, but the two repeated their earlier demand and the pilot obeyed.

The aircraft landed at Chingchuankang airbase in Taichung around 9:30 p.m. May 12, where the two hijackers got off and were allowed to stay. The aircraft, minus two passengers, flew back to Amoy five hours later, around 2 a.m. May 13.

The lawyer quoted them as telling the prosecutor that they didn't resort to violence or threats of violence. She said they diverted the plane because they sought freedom.

The two are free on their own cognizance. They returned to the Free China Relief Association, which has been looking after them since their arrival, but are instructed to remain available for more hearings with the prosecutor.

Beijing 'Meddling' Cancels Lauda Air Service

OW1305105188 Taipei CHINA POST in English 7 May 88 p 12

[Text] Communist China's recent interference with a private Austrian airline's plan to open air links with the Republic of China [ROC] is "preposterous and unreasonable," a spokesman for the Ministry of Foreign Affairs said yesterday.

Chen Yu-chu said Peking's meddling is tantamout to interference in the internal affairs of another country and exposes Communist China's scheme to isolate the ROC and downgrade it to the status of a local government.

The ministry would reaffirm the ROC's sovereignty, Chen said, adding that Taipei will not accept any interference from Peking in developing relations and signing agreements with other free and democratic countries.

According to foreign news services, Communist China recently expressed unhappiness over plans by Lauda Air, a private airline in Austria, to establish air links with Taiwan.

'In Deference,' Lauda Taiwan Flight Cancelled

HK1205010788 Hong Kong SOUTH CHINA MORNING POST in English 12 May 88 p 3

[By Time Metcalfe]

[Text] Former Austrian motor racing champion Niki Lauda piloted his own airline into the long-haul Asian flight market yesterday.

The three-times Formula One world champion paid flying visits to Hong Kong and Bangkok to inaugurate Lauda Air's weekly Far East link with Vienna.

He is the first president and majority shareholder of a tran-continental airline to captain a flight into Kai Tak.

Lauda, 38, said he had made a supreme sacrifice to launch his airline's new venture into international schedules by giving up smoking.

"It's a non-smoking airline so I had to give up this week," he said.

"It wouldn't be right for me to set a bad example. It's not that I've got anything against smokers now, but just that we like clean air on board.

"However, we do have a lounge for smokers surrounded by curtains so they won't bother other passengers."

Lauda Air's take-off from Mediterranean charters to long-haul schedules with two brand new 235-seat Boeing 767s, which cost US$68 million, also includes another weekly flight between the Austrian capital and Sydney, also via Bangkok.

Both the Hong Kong and Australian services start next week.

The Austrian Government, protecting the commercial interests of its national carrier, Austrian Airlines, only granted Lauda Air an international licence after an 18-month legal wrangle.

Lauda said: "I had to sue the Government before they agreed to give me a licence."

He had hoped to include Taiwan on the Hong Kong schedule but plans were cancelled at the eleventh-hour by Austria's Ministry of Foreign Affairs, reportedly in deference to China.

"It's a political question which I can't influence," said Lauda, who is also keen to fly into China but is prevented because Austrian Airlines is the only carrier named in a bilateral flight agreement between Vienna and Beijing.

However, as Lauda complained: "Austrian Airlines has a licence, but they don't use it to fly into China."

Austrian Airlines also has a licence monopoly for Japan, Europe and the United States.

For the time being Lauda is content to start transcontinental flying in a relatively small way with plans to branchout from Asia and Australia next year with South American routes.

Inevitably asked now flying a jet compares to driving a racing car, Lauda added: "There's no comparison. You drive a racing car to its limits and try to beat everyone else—but you always pilot an aircraft within its limits and there's no one to beat.

"The best pilots keep strictly to the rules and make no compromises."

Legislators Want Coastal Defense Strengthened

OW1305132388 Taipei CNA in English
1105 GMT 13 May 88

[Text] Taipei, May 13 (CNA)—Two Control Yuan members Friday urged the government to strengthen coastal defenses in order to discourage mainland Chinese fishing boats from repeatedly harassing the Republic of China's [ROC] offshore areas.

Chung Jung-chi and Huang Kuang-ping made the call in an investgation report on the increasing harassment of coastal areas by mainland Chinese fishing boats.

The report said that an ever-increasing number of mainland fishing boats have intruded into waters near Taiwan's coasts in the past several years. Some mainland boats were found to be carrying explosives and other dangerous articles, while other boats engaged in illegal trading with ROC fishermen. Although ROC authorities have either detained the intruding mainland boats or confiscated the merchandise aboard, these actions have been too mild to discourage the boats.

Moreover, the report noted, the frequent intrusions of mainland fishing boats might discourage the morale of local people and cause them to relax their vigilance against communist military invasion.

The two Control Yuan members suggested that the government purchase more cutters and install advanced monitoring systems in coastal areas. They also suggested that naval authorities intensify patrols in offshore areas to expel intruding mainand fishing boats.

They further pointed out that the Chinese communists have never abandoned their attempts to take Taiwan by force. The psychological defenses of local people against communist invasion, however, have relaxed since the government lifted the emergency decree. They urged responsible authorities to expose all subversive activities and plots engineered by communist elements in order to heighten local people's vigilance against communist infiltration and invasion.

Foreign Minister's Visit to Hondouras Continues

Will Share Experiences

OW1905075288 Taipei CNA in English
0351 GMT 19 May 88

[Text] Tegucigalpa, May 18 (CNA)—Foreign Minister Ding Mou-shih of the Republic of China [ROC] Tuesday told Honduran business leaders that the ROC is willing to share her successful development experiences with Honduras.

Minister Ding made the remarks in a meeting with directors of the Chamber of Commerce and Industry of the Province Cortes headquartered in San Pedro Sula, the main industrial and commercial city of Honduras.

Minister Ding said the ROC and Honduras are democratic nations and implement the free enterprise system. The economic structure that Honduras has for the time being is similar to what the ROC had in her initial phase of development with agricultural products as main export items, he indicated.

About three decades ago, Ding explained, the exports of agricultural products accounted for 80 to 85 percent of the ROC's total foreign sales. Last year, he continued, 92 percent of the ROC's exports, which totalled U.S.$55 billion, were industrial products and the remaining 8 percent were of agricultural products.

Honduras has more favorable conditions for the economic development than what the ROC on Taiwan has, the chief of the Chinese diplomacy stated.

With [the] same political and economic ideologies, Ding said, the ROC and Honduras have maintained long cordial relations, but the bilateral trade has not developed as what is expected. He encouraged Honduran businessmen to make more contacts with their counterparts in the ROC.

The ROC much appreciates the friendship with Honduras, Ding told the Honduran business leaders. To increase economic cooperation between the two countries, the minister stressed, the contacts between the governments as well as the private sectors of the two nations play important roles.

Felipe Arguello, president of the Chamber of Commerce and Industry, on his part, expressed the willingness of Honduran entrepreneurs to do business with the ROC.

Honduran Foreign Minister Carlos Lopez and Finance Minister Efrain Giron were also at the meeting.

Meets Officials

OW1905075988 Taipei CNA in English
0340 GMT 19 May 88

[Text] Tegucigalpa, May 18 (CNA)—Foreign Minister Ding Mou-shih of the Republic of China Wednesday called on Speaker of the Honduran National Congress and was warmly greeted at the latter's office.

During the meeting, Ministr Ding had cordial talks with Speaker Carlos Montoya on matters of mutual concern. The Honduran chief legislator expressed his admiration for the progress made by the ROC in all aspects and stressed that the cooperation between the two countries should be further strengthened.

Montoya then led Minister Ding to tour the installations of the assembly and hosted a luncheon party at the same site in honor of the Chinese official.

Attending the luncheon were also Honduran ministers of economy, the interior, finance and natural resources, ambassadors of Guatemala, Costa Rica, Panama, El Salvador, Venezuela and Ecuador, and representatives of the Overseas Chinese community [words indistinct].

Earlier in the morning, Ding paid a courtesy call on Commander in Chief of the Honduran Armed Forces Gen. Humberto Regalado.

Honduran States Support

OW1905080488 Taipei CNA in English 0323 GMT 19 May 88

[Text] Tegucigalpa, May 18 (CNA)—Speaker of the National Congress of Honduras Carlos Montoya said Wednesday his country firmly supports the Republic of China [ROC].

In an exclusive interview with CENTRAL NEWS AGENCY, Montoya said Honduras has no interest in establishing the diplomatic relations with the Chinese communist regime because "we are in firm solidarity with the government of the Republic of China."

The Honduran chief legislator indicated that the ROC-Honduran relations have been strengthening over the past three years, and the technical and economic cooperations, as well as cultural exchanges are increasing. He said he believes these will further promote cooperations between the two countries to a significant grade.

Montoya, who is one of the potential candidates for the next president of Honduras, said: "For us, it is very important to learn the experiences in the development of agriculture, marine resources, as well as the industries, such as in the export processing zone, that you have had."

The ROC has achieved an impressive development under a free and democratic system which is admirable for Honduras, Montoya said, adding that thus there exists ample room for the two countries to cooperate in the democratic development.

Referring to the stance that Honduras takes toward the Chinese communists, Montoya said his country has even no commercial relations with Red China. There exists no great possibility of transactions, he added.

Meets Honduran President

OW2005070088 Taipei CNA in English 0324 GMT 20 May 88

[Text] Tegucigalpa, May 19 (CNA)—Honduran President Jose Azcona Hoyo received Foreign Minister Ding Mou-shih of the Republic of China [ROC] Wednesday at the presidental office.

During the meeting, Ding presented a personal letter of ROC President Li Teng-hui to President Azcona and exchanged with him opinions on how to increase cooperation between the two countries.

President Azcona said the ROC and Honduras have long maintained cordial relations which are further strengthened through visits to each other by ranking government officials of the two countries.

The chief of state of Honduras said all Honduran Government officials who had visited the ROC were deeply impressed by the ROC's progress and prosperity. The most admirable is that the ROC's achievements are made under a free and democratic system, he added.

Azcona said Honduras welcomes ROC entrepreneurs to make investments in his country.

There are two export processing zones in Honduras now and the related law is established, offering preferences to the export-oriented industries, Azcona said.

In addition, the Honduran Government is planning to construct an inter-ocean railroad linking sea ports on the Pacific and Atlantic coasts of the country. Although the project of the 600-kilometer long railroad is still in the preliminary stage, it is seen as viable. Honduras prefers that the project will be a multinational and private joint-venture in order to avoid international influence.

Azcona told Ding that Overseas Chinese have made great contributions to the development of Honduras. They are good Honduran citizens, he added.

The president also praised ROC Ambassador Huang Chuan-li for his dedication to promoting relations between the two countries.

Investments in ASEAN Exceed Recommendations

OW1805080688 Taipei CNA in English 0336 GMT 18 May 88

[Text] Taipei, May 18 (CNA)—Investors from the Republic of China [ROC] put around U.S. dollars 160 million of their capital holdings into business and industrial operations in Thailand, Malaysia, the Philippines and Indonesia last year, more than 10 times greater than the amount recommended by the Investment Commission [IC], trade sources report.

They say the dollar figure jumped by a factor of 32 times from the U.S. dollars 5 million ROC citizens had invested in the four members of the Association of Southeast Asian Nations in 1986.

IC officials say the large-scale movement of Taiwan's labor-intensive industries to the ASEAN states has been prompted by several new factors in Taiwan's economic formula.

There has been the dramatic rise in the cost of labor in Taiwan, and more stringent environmental protection standards have become effective, too. Also, Taiwan will not enjoy the quota privileges it has until now in the exports it sends to the United States and Europe, but the ASEAN states will.

Industry sources say since the industries in question—those producing leather goods, shoes, toys, furniture, Christmas decorations, plastic items, and chemical fiber items among others—are all labor-intensive, their migration elsewhere will not matter as there is no longer a niche for them in Taiwan's changing economic structure.

United Airlines To Provide Ground Services

OW1805082688 Taipei CNA in English 0257 GMT 18 May 88

[Text] Taipei, May 18 (CNA)—The Communications Ministry's Civil Aeronautics Administration (CAA) has approved an application by United Airlines of the United States to perform ground services at airports in the Republic of China on a six-month trial basis beginning from May 22.

CAA said it will make a final decision on whether to formally open ground services to the U.S. airline six months from now.

Kuomingtang, Opposition Resume Dialogue

OW1905054788 Taipei CNA in English 0234 GMT 19 May 88

[Text] Taipei, May 19 (CNA)—The ruling Kuomintang [KMT] of the Republic of China and the "Democratic Progressive Party" [DPP] resumed communications Wednesday and have reached a two-point agreement on national defense policy.

During the meeting, the DPP members, including legislators Hsu Jung-shu and Kang Ning-hsiang, proposed cutting NT [New Taiwan] $1 billion (U.S. $34.84 million) from the 1988 national defense budget.

The KMT members held out for a ceiling of NT $600 million on the cuts. As the gap between the figures proposed by both parties was so great, they were not able to reach a compromise on the matter.

After exchanging opinions, both sides, however, agreed to a two-part guideline for use in the Legislative Yuan's budget screening committee.

The Ministry of National Defense, the resolution says, should explain budget allocations in detail when it submits future budgets to the legislature for approval.

The resolution also called for a clear national defense policy that would cut both the number of troops and the length of military service.

Submarine Bought From Netherlands To Arrive

OW1705112888 Taipei LIEN HO PAO in Chinese 6 May 88 p 1

[Text] The second Swordfish-class submarine purchased from the Netherlands by our country is expected to arrive in Kaohsiung in the near future following the completion of procedures for turning over the ship, according to reliable sources. Responsible persons of the department concerned said that the "Sea Tiger" submarine successfully completed several hundred tests in the Netherlands recently, adding that its performance met all design standards.

According to an unnamed source, the "Sea Tiger" will dock first at a Kaohsiung shipyard and then be escorted to Kaohsiung's Tsoying military port by a fleet of warships and a squadron of fighters organized by the Republic of China [ROC] Navy and Air Force.

The method of handing over the "Sea Tiger" will be the same as that used for the "Sea Dragon." After handing over the submarine at a shipyard in Kaohsiung, the Dutch engineers, technicians, and nonactive duty officers accompanying the submarine will immediately return to the Netherlands.

According to the source, the departments concerned have decided to dispatch the "Sea Dragon" to welcome the "Sea Tiger" at Tsoying port.

After arriving in the ROC, the "Sea Tiger" will be moved to its special dock at Chienlong wharf and immediately join the "Sea Dragon" in carrying out patrol duty.

According to responsible persons of the departments concerned, with the commissioning of the two new submarines, the ROC will have four armed submarines (the other two being of the Guppy II class). As this number is not enough to meet the ROC's needs, the Defense Ministry has gained the support of the majority of legislators for plans to buy four more advanced submarines from abroad. According to the source, several countries have contacted our country in connection with this planned purchase. A noted shipyard of some country has indicated that it is ready to undertake the construction of the four submarines and to carry out whole shipyard technological transfers to the ROC in order to help it implement the policy of building its own warships. In addition, the delivery and testing of over 100 advanced torpedoes the ROC purchased for use by its current submarines were completed a few months ago.

President Li Watches Skybow Missile Test

OW1405232988 Taipei CNA in English 1533 GMT 14 May 88

[Text] Taipei, May 14 (CNA)—President Li Teng-Hui watched a successful test-firing of the Republic of China-made Skybow missile at a missile testing base of the Chung Han Institute of Science and Technology in southern Taiwan Saturday.

Accompanied by General Haupei-tsun, chief of the general staff, [words indistinct] the morning. He inspected the missile launching and monitoring systems and heard a briefing on the test firing.

The successful test-firing began at 11 a.m. with a Skybow missile accurately hitting a target plane.

After the test-firing, the president inquired the [words indistinct] scientists about the monitoring and other functioning of the missile developed by the institute.

President Li commended the institute for its outstanding achievements in developing new weapon systems for the nation and urged all the researchers and scientists of the institute to redouble their efforts to pursue greater achievement in this field.

Army Chief Denies Any Political Ambitions

OW1605053388 Taipei CNA in English
0239 GMT 16 May 88

[Text] Taipei, May 16 (CNA)—General Hau Pei-tsun, chief of the General Staff of the Republic of China [ROC], said he has no political ambitions, but has strong confidence in the ROC's future and is diligent in fulfilling his duties and missions.

Gen. Hau, in an interview to be published in the June edition of "GLOBAL VIEW MONTHLY," said the reason people speak of him as "a strongman as chief of the General Staff," is mainly that the nation's leaders have trusted him and given him many missions to accomplish. Since he himself is a man of principle and has great confidence, it is not easy for him to change his mind once he has made a decision, he said.

He said some questions about so-called "military interference in politics" come from a small number of people with political ambitions. These ambitious people oppose the ROC and the Government. They also intentionally painted a bad picture of the military and even of Hau himself, something that he will never be able to accept.

Hau spoke highly of the contributions of the Chungshan Institute of Science and Technology to the ROC's defense technology development in past years. "As it is the Government's consistent policy not to develop nuclear weapons, we will obey the policy even though we have the capability," he said.

Standing Committee Approves Congress Organic Law

OW1905054488 Taipei CNA in English
0249 GMT 19 May 88

[Text] Taipei, May 19 (CNA)—The Central Standing Committee of the Kuomintang [KMT] approved Wednesday the organic law for the KMT's 13th National Congress, which will open July 7.

The organic law stiplates that delegates to the 13th National Congress include both those selected by all KMT members and members of the 12th Central Committee.

The 12th Central Advisory Committee members and the alternate members of the 12th Central Committee are allowed to participate as observers in the plenary session, which will be presided over by the KMT chairman.

A presidium, whose candidates will be nominated by the KMT chairman and then approved by the preparatory meeting of the plenary session, will be formed.

According to the organic law, the 13th National Congress will last for seven days, but can be extended, if necessary.

A secretary general and three deputies will be selected by the 12th Central Standing Committee to handle the general affairs of the 13th National Congress.

The Organic Law also stipulates that no plenary session can be held until half of the delegates are in attendance and that over half of the delegates in attendance are required to pass a resolution.

Kuomintang To Further Help Cultural Development

OW1305103188 Taipei CNA in English
0232 GMT 12 May 88

[Text] Taipei, May 12 (CNA)—The Kuomintang [KMT] will play an even more active role in helping promote cultural development in the face of ever-changing situation and new challenges, Raymond Tai, director of the Kuomintang Central Committees Department of Cultural Affairs, said Wednesday.

Reporting at the weekly meeting of the KMT Central Standing Committee, Tai said to rally the support of the general public for the ruling party, his department will serve as a bridge to honestly convey the publics opnion to both the KMT and the government.

The department will also try to help the public better understand KMT's poitical ideals and aspirations and the governments administrative achievements in every field, Tai said.

The major task of his department, Tai said, wil be enhancing public understanding of the ruling party's contributions to national development and helping publicize the KMT's determination to launch politcal reform.

It is obvious that the three principles of the people—the guidepost of the ruling party—is superior to communism because the Chinese communists have openly admitted that Marxism-Leninism can not solve all the problems China faces and have claimed they need to "learn from Taiwan economically."

Tai said it is important for the KMT now to promote the "Taiwan experience" on the Chinese mainland in order to win the support of mainland compatriots for the ruling party and the government so as to accomplish the reunification of China under the three principles of the people at an earlier date.

Government Body To Monitor Farm Imports
HK1105124888 Hong Kong AFP in English
1216 GMT 11 May 88

[Text] Taipei, May 11 (AFP)—The Board of Foreign Trade (BOFT) has proposed monitoring imports of some 40 types of agricultural imports to protect local farmers, a BOFT official said Wednesday.

Main items in the list, pending approval of economic authorities, include apples, grapes, grapefruits, oranges, watermelons, turkey meat, beef, pork, dried mushrooms and rice cakes, he said.

The BOFT would coordinate with agricultural authorities to monitor imports of the sensitive products and take proper measures against inflow of the items which jeopardize domestic farm development, the official said.

He added that temporary suspension of import permits could be imposed.

The move followed a series of street protests by thousands of farmers from all over Taiwan who demanded import curbs on agricultural products and greater government protection.

President Li Inspects Natural Gas Project
OW1605045188 Taipei CNA in English
0331 GMT 16 May 88

[Text] Kaohsiung, southern Taiwan, May 16 (CNA)—President Li Teng-hui Sunday inspected construction on a Chinese Petroleum Corporation's [CPC] receiving terminal for liquified natural gas [LNG] at Yungan, Kaohsiung county.

President Li showed concern over the progress of the project's construction, after being briefed by CPC President Kuan Yung-shieh.

President Li later visited the homes of two residents to inspect cracks supposedly caused by the projects construction.

The LNG receiving terminal's construction has been interrupted 11 times by nearby residents since it started 3 years ago for allegedly causing housewalls to crack in four neighbouring villages. Residents have asked CPC to compensate them for the damage.

The interruption has delayed the construction which was originally scheduled to be completed by the end of 1988, according to Kuan.

Hong Kong

'Good Beginning' to Basic Law Discussions Noted

HK1705134788 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0910 GMT 9 May 88

[Report by Yi Lan (0122 5695): "A Good Beginning"]

[Text] Hong Kong, 9 May (ZHONGGUO TONGXUN SHE)—The first edition of the (draft) Basic Law, aimed at getting public reaction, was published several days ago. There are indications that the publication and discussion of the law on the future Hong Kong Special Administrative Zone have got off to a good beginning.

Many Hong Kong newspapers featured the first edition of the (draft) Basic Law as soon as it was announced. It has been estimated that over 1 million copies have been published, and many people are still obtaining pamphlets on the law. Many offices, groups, and labor organizations placed advance orders for copies of the law. Reports say that over 500,000 pamphlets on the law have been printed. All this indicates that many Hong Kong people are very much concerned about their personal interests and the future of Hong Kong. A change for the better is taking place in the "symptoms of political coldness," and the people's consciousness is gradually improving.

Another good indication is that discussions are proceeding quietly and questions have been raised rationally.

The good atmosphere arising from the publication of the first edition of the (draft) Basic Law has found expression in the mental stability of the people. Some people asserted several years ago that publication of the Basic Law draft would strike mental terror into the Hong Kong people, aggravate the immigration issue, discourage foreign investment, precipitate a drop in the Hong Kong stock market, and depress the local real estate business. Judging from the present situation, however, there have been no such bad consequences.

The press media have indicated over the last few days that people from all walks of life and many social organizations are very much concerned about the first edition of the (draft) Basic Law. Some have suggested the need to take advantage of the publication of the first draft of the Basic Law to further arouse the people's consciousness; some have said that it is necessary to explain the law to the masses in diagram form; some believe it will be good for international experts in common law to participate in the present discussion; some have remarked that the first draft of the Basic Law does not explain explicitly the way to express the idea of "one country, two systems"; and some have pointed out that parts of the provisions in the first draft run counter to the 1984 Sino-British Joint Declaration. An estimated one hundred suggestions have been made.

Judging from the fact that many useful suggestions have been raised in just a few days, we can say with certainty that more suggestions will flood in during the consultation period. Reports say that the Basic Law Consultative Committee is busy at work and that China's drafting committee will visit Hong Kong soon to gather opinions. We believe that the Hong Kong people, in their common efforts for stability and prosperity, will reach unanimity of understanding on the formulation of the best possible Basic Law.

Official on Political Structure for Hong Kong

OW1405200188 Beijing XINHUA Domestic Service in Chinese 1159 GMT 13 May 88

[By reporter Huang Riyao]

[Text] Beijing, 13 May (XINHUA)—In a recent interview with this reporter, Xiao Weiyun, responsible person of the special group for political structure of the Hong Kong Basic Law Drafting Committee and professor at Beijing University, said: It is necessary to establish a political structure that is adapted to the future development of Hong Kong.

Xiao Weiyun said: The task of drafting the Hong Kong Basic Law is arduous, since the law, being unprecedented, has no previous one of similar nature in the world to refer to. He told this reporter that the legal and political basis for drafting the Hong Kong Basic Law is the Constitution and the Chinese government's basic principles, policies and statements regarding Hong Kong as included in the Sino-British Joint Declaration. Of course, we should, when drafting the Basic Law, fully take into account the actual situation of Hong Kong, study opinions aired by various circles in Hong Kong, and adapt the draft to Hong Kong's realities.

Xiao Weiyun said: Although a stipulation regarding Hong Kong's future political structure has been included in the Joint Declaration, questions on the executive, legislative organs and the chief executive for the Hong Kong Special Administrative Region are answered in relatively general terms which are not specific enough. In addition, social circles in Hong Kong have big differences of opinion on the selection of the chief executive and the composition of the legislative organ in the future special administrative region. This poses certain difficulties for drafting the articles of political structure for the Hong Kong Special Administrative Region. Therefore, four alternatives were listed in the articles of the political structure of the Draft Basic Law for the Hong Kong Special Administrative Region for Solicitation of Opinions. Thanks to the full cooperation between the drafting members from Hong Kong and China's mainland and after an effort of two years and ten months, 61 articles on the political structure were drafted. Committee members reached consensus on most issues.

Xiao Weiyun said: The principles for formulating the political structure of the Hong Kong Special Administrative Region are: uphold national unity and territorial integrity as well as realize the goal of a high degree of autonomy for Hong Kong; maintain Hong Kong's stability and prosperity, help develop Hong Kong's capitalist economy and take account of the interests of various social classes; and retain some of the advantages of Hong Kong's existing political structure and gradually develop democratic participation adapted to Hong Kong's situation. Xiao Weiyun said: To maintain Hong Kong's prosperity and stability, we must establish a political structure with Hong Kong's characteristics and adapted to the development of Hong for the future. Therefore, we still have to retain some of the advantages of Hong Kong's current structure. Xiao Weiyun noted that the system of government functioning in Hong Kong is the result of a long evolutionary process which has played an important role in the economic and social development of Hong Kong; this system should be retained. Of course, systems that the Sino-British Joint Declaration said should be changed will be changed. He said: except for differring opinions over very few issues, members of the special group for political structure have reached a consensus on the relations between executive, legislative and judicial organs of the Hong Kong Special Administrative Region; independent judicial power, mutual coordination and checks and balances between legislative and executive organs.

Xiao Weiyun said: The Draft Basic Law of Hong Kong Special Administrative Region for Solicitation of Opinions still needs more opinions from people in Hong Kong and China's mainland. Drafting a relatively satisfactory Basic Law requires repeated discussions and revisions.

Basic Law Committee Members Meet Ji Pengfei

HK1905032988 Beijing ZHONGGUO XINWEN SHE in Chinese 1430 GMT 17 May 88

[Text] The exchange delegation of the Hong Kong Basic Law Consultative Committee was concluding their visit to Beijing. Today, Ji Pengfei, chairman of the State Council's Hong Kong and Macao Affairs Office and chairman of the Basic Law Drafting Committee, met with and gave a banquet to all members of the delegation at the Beijing Hotel.

Ji Pengfei believed that it was good for the delegation to visit Beijing to exchange views. He expected everyone to make suggestions for the draft Basic Law (for solicitation of opinions). When Luo Decheng, head of the delegation, told Ji Pengfei: "If you go to Hong Kong, I am sure you will hear a lot of opinions," Ji smiled.

Shao Youbao, deputy head of the delegation, said that members of the delegation came to Beijing on several occasions. Moreover, they are very enthusiastic about the Basic Law.

After their arrival in Beijing, members of the delegation met for a day and half to exchange views with the Secretariat of the Basic Law Drafting Committee concerning relationship between the central authorities and the special administrative region, political structure, economy, and the rights and duties of citizens in the Basic Law. The Secretariat will sort out these opinions and suggestions and then submit them to the special groups for further deliberations. The responsible persons of the special groups gave explanations to the questions raised by the delegation. The delegation was satisfied with the explanations.

At today's meeting, Ji Pengfei said that the use of English should be included in the Basic Law because Hong Kong is an international metropolis. This should be encouraged and also be prescribed in the law.

While proposing a toast at the banquet, Ji Pengfei spoke highly of a great deal of work done by members of the consultative committee in soliciting opinions from all walks of life in Hong Kong. In the current solicitation of opinions, the consultative committee serves as the most important channel. Through consultation and by pooling the wisdom of the masses, the Basic Law Drafting Committee will certainly be able to revise and perfect the draft Basic Law.

Li Hou, Lu Ping, and Xu Hanbing were also present on the occasion.

Hong Kong Governor, Shenzhen Mayor Meet

OW2005092788 Beijing XINHUA in English 0154 GMT 20 May 88

[Text] Hong Kong, May 20 (XINHUA)—David Wilson, governor of Hong Kong, and Li Hao, mayor of Shenzhen City, one of China's four special economic zones, have common aspirations to promote economic cooperation between Hong Kong and Shenzhen.

They expressed this wish when they met here yesterday. Mayor Li Hao led a Shenzhen government delegation to Hong Kong Wednesday evening.

It is learned that the two officials exchanged views on how to promote the close relationship between the two places.

The Shenzhen delegation visited Kai Tak and the international airport, and got a view of the Hong Kong island from a helicopter yesterday.

Company To Launch Shanghai Property Venture

OW2005030988 Beijing XINHUA in English 1053 GMT 19 May 88

[Text] Hong Kong, May 19 (XINHUA)—Hong Kong's Hysan Development Co. is planning to launch a property venture in Hongqiao, Shanghai, local paper "SOUTH CHINA MORNING POST" reported today.

Hysan has 12.5 percent stake in the 30 million U.S. dollars project, as does Shui On, 25 percent is owned by Royden Property, and the balance by the Chinese partners, the report said.

Hysan's Chairman and Managing Director H.C. Lee said that two 30-story residential buildings were to be built on the 748,000 sq. ft. site in Shanghai.

Standard Chartered Bank has arranged loan facilities for the project, which is scheduled to be completed by 1990, the report said.

April Exports by Air Show Decrease Since 1987

HK1705033988 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 17 May 88 p 3

[By Michael Marray]

[Text] Airborne exports from Hong Kong in April were 5.5 percent lower than last year, Anthony Charter, general manager of Hong Kong Air Cargo Terminals (HACTL), revealed yesterday.

For the first four months of this year export tonnage levels moving through the HACTL cargo facilities at Kai Tak airport were one percent lower than the same period last year.

In contrast to the sluggish levels of exports, however, imported tonnage continued to soar. April tonnage was 16 percent up on April last year, and during the first four months the increase was 20.4 percent.

Mr Charter said that after two years of runaway growth in exports during 1986 and last year, he was not surprised to see a slowdown now taking place.

"We had two years of very strong spring growth," he said.

He said Hong Kong was likely to see export tonnage levels close to those of last year, even though they were likely to increase when measured by value.

It was the US market that was weakest, he added, with traffic to Europe still registering reasonable growth.

"Everybody is really waiting for the U.S. import figures to decline to improve their balance of payments," Mr Charter said. Thus the slackening off of U.S. bound cargo had been anticipated.

"Hong Kong is losing its export momentum," commented Barry Yates, head of research at Hoare Govett Asia.

"It looks as if the second quarter is going to be a slow period for the manufacturing sector," he added.

"Plants within the U.S. are running at record capacity levels."

But though American companies are becoming more export-oriented, much of this increased output is being absorbed through domestic sourcing by American firms.

This was tending to depress imports from places such as Hong Kong, Mr Yates said.

However, he pointed out that domestic demand within the territory was currently very strong, and that Hong Kong's re-exports had also been growing at a fast pace.

Measured by value, some twenty-five percent of Hong Kong's external trade is handled by HACTL. According to Mr Charter a large proportion of the imports are foodstuffs, and these currently represent some 30 percent of total imported tonnage.

Perishables such as vegetables are currently high on the list, and the durian season is now underway, with five Boeing 747 loads, or some 500 tonnes, of the strongly-scented fruit arriving last week.

"Imports are going well," Mr Charter said, and this was a sign of Hong Kong's strong domestic demand.

On the export side, garments remain the most important part of total exported tonnage, particularly as Hong Kong fashion continues to move upmarket.

Electronics, and items such as watches, are also high on the list.

Adding together imports and exports, HACTL's tonnage figures for April were up by 2.2 percent from last year, and up 6.8 percent for the first four months.

The Hong Kong Government's official external trade figures for April are due out next week.

Macao

Governor Melancia Reschedules Mainland Trip

HK1905012188 Hong Kong SOUTH CHINA MORNING POST in English 19 May 88, p 2

[By Adam Lee in Macao]

[Text] Macao Governor, Mr Carlos Melancia, will begin his visit to Beijing on Friday May 27, it was confirmed yesterday.

Mr Melancia was originally scheduled to pay his first official visit to China last Saturday, but a kidney illness forced him to postpone the tour.

His press adviser, Mr Antonio Duarte, said that during the four-day trip Mr Melancia would hold talks with several senior Chinese officials.

These would include Chinese Vice-Minister of Foreign Affairs, Mr Zhou Nan, who extended the invitation for the visit and Chinese Minister of Foreign Economic Relations and Trade, Mr Zheng Tuobin.

He would also meet "a very senior Chinese official", said Mr Duarte.

While in Beijing, Mr Melancia would also see the director of the State Council's Hong Kong and Macao Affairs Office, Mr Ji Pengfei and attend a banquet hosted by Portuguese Ambassador to Beijing, Mr Octavic Neto Valerio.

The Governor's wife, Lady Maria de Rosario Botelho, diplomatic adviser, Dr Pereira Gomes, and Mr Duarte will accompany Mr Melancia on his visit.

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